

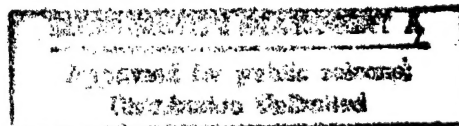
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Near East/North Africa Report

No. 2637



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12 October 1982

NEAR EAST/NORTH AFRICA REPORT

No. 2637

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EXPERTS URGE HIGHER DIFFERENTIALS FOR AFRICAN CRUDES

Paris AN-NAHAR ARAB REPORT & MEMO in English No 30, 13 Sep 82 p 7

[Text]

A meeting of OPEC experts in Vienna at the end of last month has recommended higher differentials for premium low-sulphur African crudes. But their findings were not endorsed by experts from the countries being urged to raise the price of their oil even though the willingness of Saudi Arabia to continue to defend the \$34 per barrel benchmark price for Arabian Light crude could well be in the balance. Saudi Arabia, backed by Kuwait, has demanded higher prices from the Algerians, Libyans and Nigerians to make Gulf crudes more competitive and this newsletter learned in Paris from one of the participants at the meeting that while representatives from the African oil exporters conceded in principle that the current differential of \$1.50 is too low, they were adamant that now is not the time to try to push up prices.

The majority of the experts felt the differentials for African crudes should be raised by an additional \$1.50 to \$2.30 per barrel. This would place these crudes in a price range of \$37 to \$37.80 par barrel.

Libya, in fact, is known to be offering discounts to buyers of its crude and there are reports that Algeria has been effectively undercutting the \$35.50 official price for its crude by discounting sales of refined products. Products are not covered by OPEC rules. Reports that Ecuador is planning a second cut in prices and that Indonesia wants to reduce the differential on its Minas crude will reinforce African arguments, as will efforts by British oil companies to persuade the price-setting British National Oil Corporation to reduce the price of North Sea oil similar in quality to African crudes. Several of the companies have made informal representations and Shell has asked formally for a cut of at least \$1 per barrel for the final quarter of 1982. North Sea oil already undercuts African crudes by \$2 per barrel and with output running at just over 2 million b/d, the North Sea is a formidable competitor for producers at the top end of OPEC's price range.

If BNOC heeds pleas that the cuts are needed to offset large losses on refining and marketing operations there could be a replay of last year's price-cutting tactics by Britain which first cut North Sea prices adrift from OPEC's African prices to realign with the price of lower-quality Saudi Arabian oil. The British later abandoned even this parity and the moves widened the rift inside the oil exporters organisation between African and Gulf producers until relations were perilously close to breaking point. The breach has by no means been healed, as was seen at the Vienna meeting of experts, and a cut now in North Sea prices would add significantly to existing stresses inside OPEC.

BNOC is however expected to resist representations by Shell and other companies. One reason is the British government's intention soon to offer for sale to the public shares in Britoil, the company which now controls BNOC's production and exploration assets. This is part of a drive to "privatise" state-controlled companies and Prime Minister Margaret Thatcher and her ministers are anxious to avoid charges that they are unloading shares in these concerns to political allies at bargain basement prices. A soft oil market has already slashed the amount the government can expect to realise from the sale of Britoil.

But those responsible for the flotation must also take into account the depressing effect of high oil prices on shares of oil companies which could further dampen the public's enthusiasm for the Britoil offering. BP reported at the beginning of this month that its net earnings of \$432.5 million for the first half of this year were down by nearly 60 per cent when compared with earnings of \$1.025 billion for the same period of 1981. BP reported that revenues from Sohio, its American subsidiary, and growing skill in spot market trading had helped the company fight back during the second quarter of this year, when the fall in earnings was only 20 per cent below figures for the same period in 1981.

Iran's policy on oil sales and the effects of the Gulf war on its exports are discussed elsewhere in this issue. It is clear, however, that the question mark over Iranian oil will have an unsettling effect upon the world oil market in coming weeks. It is therefore by no means clear at this time what the final form of the OPEC experts' recommendations will be when they are forwarded for study by the organisation's four-nation monitoring committee when it next meets on September 20 in Abu Dhabi.

STUDY EXAMINES GULF COUNTRIES' INVESTMENTS ABROAD

Kuwait ARAB OIL in English No 9, Sep 82 pp 42-43

[Text]

A recent financial and economic study by the Chase Manhattan Bank reveals the national and foreign investment policies of Gulf countries, notably Kuwait, Saudi Arabia and the UAE.

In the early 1970's, investment deals were carried out by the finance ministries of the oil producing countries. During this time, vital development projects in the Gulf caused a substantial proportion of the increasing oil revenues to flow into the hands of leading businessmen in the private sector. As funds in this sector accumulated, the businessmen began to invest their surplus cash abroad.

According to the report, wealthy Kuwaitis turned to foreign investment because of the lack of investment opportunities back home. By the end of the 70's, over 100,000 individuals had made investments abroad, some obtaining their funds from local banks. Kuwaitis are particularly keen on investments and attempt to evade share-holding restrictions by buying additional shares in the names of relatives.

A familiar story is that of the Kuwaiti who purchased an entire company in the US and set up a branch firm in his home country. Not only did the mother company secure more profits under Kuwaiti backing than ever before, but the Kuwait branch profits were even higher.

Far East

Kuwait government has also shown keen interest in investing in the Far East, and particularly in Japan. Among the first Japanese deals were the purchase of shares in two lead-

ing companies, Tikoko Oil and Nippon Minerals. Tikoko Oil is the oldest established firm in Japan, with concession rights extending along the country's entire coast.

Nippon Minerals specialises in the production of minerals other than iron and petroleum, and concentrates its operations on overseas resources, from Peru, Zaire and Chile.

Kuwait also holds a total of 35.5 million shares in Toshiba, Mitsubishi Electric and Hitachi, all leading electronics firms.

More recently, Kuwait began to invest in Japanese chemical and drug companies. It acquired 57 per cent of the Green Truce Company, 83 per cent of Takeda Chemicals, 1.16 per cent of Fujisawa Drugs, 0.5 per cent of Yamnushi Drugs and a number of shares in Yosaka. These investments were carried out by the London-based Kuwait Investment Office following a Japanese campaign to attract foreign interest.

Pakistan has also been one of Kuwait's beneficiaries, and a joint Kuwait-Pakistan Investment Company was set up to handle long, medium and short term loan deals for industrial projects.

Malaysia

Kuwait and Malaysia have also formed a partnership in the form of the Kuwait-Malaysian Investment Company. In this venture Kuwait holds 48 per cent of the shares and Malaysia the remaining 52 per cent. The company has a capital of 114 million dollars. According to Kuwait Real Estate Union, which holds 32 percent of the Kuwait shares, the company concentrates its activities on the development of petroleum, rubber, food and welding industries.

Kuwait's next step was the purchase of 25 per cent of the shares of the American Oil Company's refinery in Olsan, near Seoul, South Korea. Kuwait supplies much of the crude for the refinery, which has a production capacity of 280,000 bpd.

It is now proposed that Kuwait will become a major shareholder in a refinery in Indonesia. The refinery, at a cost of around 800 million dollars, will be built on the island of Batam, about 12 kilometers off the coast of Singapore.

In comparison to Kuwait, Saudi Arabia's private sector has very little investment abroad, although this is explained by the Kingdom itself possessing excellent investment prospects. Contrary to the Kuwaitis, Saudis are rather cautious about foreign investment.

A Saudi national recently purchased a prefabricated-housing production plant in the US, aiming at the construction of hotels in the Kingdom. Shortly afterwards he bought shares in a leading international hotel group to provide trained staff for his new hotels. In addition to this he purchased shares in a number of European food companies to ensure constant supplies for the hotel kitchens. A second national bought an entire steel plant in Britain to provide supplies of the metal for projects back home. Saudis may be cautious, but they don't conduct their business in half measures.

The United Arab Emirates, with less oil revenues and more limited industrial experience, has fewer funds available for foreign investment. Oil revenues did not flow into the private sector as speedily as they had done in neighbouring Kuwait and Saudi Arabia, and what wealthy individuals there were tended to invest in local development or real estate projects. UAE investors have purchased shares in a number of offshore companies. However, this market is dominated by the Kuwaitis.

Dramatic Move

The latest, and possibly the most dramatic investment move by all three countries, has been the rush to buy property in Europe. Over the past year millions of dollars have moved to Paris, London and Spain, and poured into the housing market, in an attempt to safeguard assets rather than secure any financial return.

On the whole, the USA remains the preferred area for Arab investors, although the American market has been a touchy subject recently. A number of US politicians, presumably worried that the Arabs would buy up the entire country, attempted to create anti-Arab feelings whenever Gulf investors purchased shares in companies. (Notably when the Kuwait government bought the US firm Santa Fe.) However, hostilities are less apparent now, and a great deal of American companies are flourishing under large doses of Arab capital.

PERSIAN GULF AFFAIRS

BRIEFS

SAUDI STEEL TRAINEES IN QATAR--A fresh batch of 16 Saudi Arabian steel workers is arriving in Umm Said this month to receive training in various areas of steel production, marketing and management at Qatar Steel Company, Qasco, according to the DAILY GULF TIMES. The training is part of an agreement signed last year between Qasco and Hadeed, an 800,000-ton-a-year Saudi steel company which is slated to go into production by the mid-eighties. Another part of the agreement envisages exchange of technical information between the two countries. With the new batch, the number of Saudi steel workers trained at Qasco will rise to 120, Qasco Director, Dr Essat Marouf said. He added that Qasco, which has been producing at 125 per cent of its rated capacity for the past three years, has maintained the record this year too. Much stress is being laid on efficient and quality production, and because of this the company has been able to withstand a fierce price war raging in the Gulf steel market. Marouf stated that despite a heavy price cut by European and Far East steel producers in the region, Qasco experienced no difficulty in selling its produce. Saudi Aramco, taking nearly 40 percent of Qasco production, continues to be the biggest buyer. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 10]

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PROBLEMS OF MARRIAGE TO FOREIGNERS DISCUSSED

Marriage to Foreign Women

Manama SADA AL-USBU' in Arabic No 569, 3 Aug 82 pp 8-10

[Article by 'Ismat al-Musawi]

[Text] Do you remember "Bayt Abu Khalid," a television series produced in the Gulf and broadcast by Bahrain television not too long ago?

Do you remember Khalid, the oldest son of the family? He was the son who had gone to England to study, and when he returned, he was married to his British colleague. I believe that most of you will remember.

I personally remembered "Bayt Abu Khalid" while I was walking in the market 2 days ago. What attracted my attention was [the sight of] a young foreign woman who was veiled and wearing a cloak-like wrap in a provocative manner. Her wrap was very short, and it was not fastened to her head. Every once in a while, she would lift it and fasten it.

Her husband, a Bahraini citizen, was talking to her in English, and it seemed to me that he was having a great deal of difficulty trying to explain to her what he wanted to say.

It was only recently that I found out that one of our acquaintances, who drives a taxicab, is married to an Indian woman. When I saw his children once, [I noticed] that all of them spoke Indian with their mother and their father. They even spoke in Indian with people on the street. In their appearance, their clothing and their conduct they do not differ from any Indian one may encounter.

These observations and pictures from real life made me want to write about the phenomenon of marrying foreign women. How did that phenomenon come about, and where will it lead us?

Is this phenomenon growing or receding? Before we make a judgment on the matter, let us look together on these families.

Forgive me, dear reader, for mentioning only the initials of the people I met. This is what those people wanted. I, however, was not after names; I was after the issue itself.

The Indian Woman Is Loyal

S.J. is a civil servant in one of the ministries. The only reason he married an Indian woman is because he visited India many times and he liked the Indian people. [He also said] that the Indian woman was sincere and served him. It is true that he did have difficulty dealing with her in the beginning, even though he knows a few Indian words. He also got tired of the Indian dishes she prepared, but he [eventually] got used to them. What he is actually suffering from is how society views his children because their mother is Indian. S.J. says that Bahraini women are arrogant, presumptuous and are never content with what they have. It is their fault that Bahraini men shun them and turn away from them to marry foreign women. S.J. says that if he had found a young woman who would have accepted his financial status and his living conditions, he would not have married an Indian woman. His wife knows nothing of his life outside the home. He befriends any woman he wishes to befriend, and he stays out till the morning hours doing whatever he wishes to do. She does not ask him where he goes or how he earns his money. She fears that if she were to ask him these questions, he would leave her and her children in a country where she knows no one but him.

I lay down the pen and paper in front of me, and I played with the children who spoke to me in a language I did not understand. Then I left with their voices still sounding in my ears.

The Foreign Woman Is Wonderful

Our friend, H.N., is married to a French woman. He had gone to France to study. What he liked about his girl friend was her honesty, her perceptiveness and her beauty. He says there is no difference between one young woman and another. But he fell in love with that young woman, and he saved himself from the problems of observing customs and traditions, such as the dowry, the honeymoon and the engagement ring.

H.N.'s wife works, and she helps him. He says that his marriage to her has opened up new prospects for him. It was through her that he was able to mingle in European society and become acquainted with French culture. She too had tried to make some adjustments [to her surroundings]. She began to learn how to cook Arab dishes, and she began to mingle in Bahraini society.

I look around in this elegant home. Nothing in it has anything to do with our heritage or our culture. It is a quiet home despite the fact that there are two children in the house.

H.N.'s wife offered us fruit juice. He was talking about her and describing her as a wonderful woman. She had been patient with him and had suffered a great deal with him before he attained the important position he now has.

It is N.H.'s opinion that love and emotion are not the only foundations for marriage, as most people imagine they are, because all these matters end after marriage. This is his own opinion!

"I am not in love with her," [says H.N.], "but I do respect and appreciate her. I never thought of separating myself from her." H.N. smiles and goes on to say,

"Some people blame me because I married a foreign woman. If I had found a Bahraini woman better than [my wife], I would have married her."

But where [can such a woman be found]?

All this was said, and our friend's wife heard everything that was going on, but she did not understand any of it.

S.'A. is a young man who is always elegant. He is employed as a manager of one of the major companies. He had been sent by his employer to England to study. There he lived in the home of a British family. He fell in love with their daughter, and he married her. Before the marriage he had explained his situation, his circumstances and the situation of Bahraini society [to the young woman], and she agreed to everything [he had stipulated]. He took her back to Bahrain. His family was strongly opposed to his marriage, but he was determined to keep her. One year later they had a child. Because he lives in a conservative village, he was forced to make her wear the cloak-like wrap and the veil. She did not agree to that, but after a while, she got used to it. They speak English at home, and their diet is a light one. S.'A. is happy with his wife, and he doesn't care about the fact that society looks upon him in a strange way. After she adopted Islam, S.A.'s wife prays [daily], and she fasts [during the month of Ramadan]. She visits her parents every 3 years, or they visit her in Bahrain.

He preferred the first one, and he married her.

He Preferred the First One and He Married Her

The third person, H.N., is married to an American woman. He met her at a New Year's party. [He says] he does not like Bahraini women who are empty-headed and immature. He had had numerous relations with Bahraini women, but he had not felt comfortable with any of them.

He found that the difference between foreign women and Bahraini women was considerable, so he preferred a foreign woman and married one.

He says that his marriage to a foreign woman costs him a lot because he and his wife go out at night, they entertain at home and they always travel. He also says that he lives in Bahrain, but not in Bahraini society. He socializes with foreigners, his wife's friends. "It is not important that a husband and wife have common interests," says H.N. in response to my question. "What is important is that they both love each other. That is enough."

Beautiful and Reckless

This time I did not meet a husband; I met a wife. She was tall and very beautiful. Her speech and her conduct gave her an appearance of recklessness. I approached her to talk with her. She said that she was recently divorced and that she had been married to a Bahraini man for several months.

I asked her, "Why did he marry you?" And she replied, "To show off!"

"And why were you divorced?" [I asked]. She said, "He always said I was reckless.

He objected to the fact that I drank even though he knew me before we got married and he knows that I am liberated and that this was how I was brought up."

This woman thinks that a Bahraini woman would make a more suitable wife for this man. She would know his customs; she would guard his honor; and she would prepare for him the dishes he likes.

I saw one of my [former] college teachers crossing the street one day. She was carrying a child. I had recently heard that she had married a Bahraini man. I asked her the usual question: Had she accepted life in Bahrain and adjusted to it?

She replied indignantly, "I travel often because my husband is a pilot. If I had to live here all the time, I would die."

I Worship My Wife

What about the man who is coming home from the land of the Kremlin? What does he have to say? He is married to a Russian whom he had met while he was studying there. They have a daughter. He describes himself as a very liberated man. He said that he was unable to find in a Bahraini woman the qualities he had been hoping for in a wife. His Russian wife agrees to live with him anywhere and does not use ties to her family and her homeland to decline to live in Bahrain.

I did not object to what he had to say, for he was passionate about what he had to say. I let him talk [without interruption]. "Just imagine: I had always dreamed about marrying a foreign woman, liberated in her thinking. We would have a partnership at home and at work. I would rely on her if I had to travel because she would be strong and able to take care of herself and the affairs of her home. Can a Bahraini woman stay away from her husband for years?

"This is what my wife did when I went back [to Russia] and left her here.

"Quite frankly, I not only respect her; I also worship her."

Survival of Such a Marriage Depends on Concessions

Because he divorced a Bahraini woman, he thought that by staying away from Bahraini women he will have relief [from the problems they cause].

This is the story of 'A.J., one of the characters in our topic. He first married a Bahraini woman, and due to certain circumstances, they were separated. He left Bahrain and married a British woman whom he later divorced. 'A.J. says, "Marriage to foreigners is extremely difficult and complex.

"How can an individual make his wife blend into his life and his society when she comes from a completely different society, with different customs, values and a different heritage? Such a marriage cannot continue, even if both parties did the impossible to make the marriage survive. For a husband and wife in such a case have nothing in common: no common language, no common upbringing and no common thinking. If such a marriage survives," goes on 'A.J., "you can be certain that its success depends on many concessions and sacrifices made by one party and not the other."

'A.J. went on to add, "This time I must think things through very carefully before I marry again, after having had all these failures."

Our dialogue goes on with many people who wish to express their opinions.

Marriage is a business deal!

A Business Transaction

Y.S. protests and asks, "Why marry a foreign woman?" In his opinion a foreign woman does not marry for love. She marries an Arab because she is seeking her own interests. Furthermore, the notion of marriage for Arabs and Muslims in general is not the same that foreigners have. Where is the sanctity, the intimacy and the affection of marriage?

Foreigners enter into marriage as though they were making a business deal. Y.S. relates to me the experience he had when he was in a foreign country. He told me how he became involved with a Swedish woman. He had given her his love, his time, his health and much of his money. In the end, she disappeared without a trace. He thanks God for saving him from her, and he describes marriages between Bahraini men, who are in a foreign country to study, and foreign women as nothing but a trick played on a fool. "It is a beautiful dream from which these young men will wake up when they return to Bahrain and discover that what they had seen was a mirage and an illusion."

Swimming against the Tide

A sociologist says, "The desire for change or for what is called doing what is different from the usual and customary is what makes most of our young men marry foreign women. A young man who wants to overstep inherited beliefs and customs does so under the pretext of liberating himself from restrictions and from everything that is described as unseemly or inappropriate.

"If we were to go back to these marriages, we would find that most of them have failed. This is because there are several motives struggling with each other within each individual. However, deep-seated differences ultimately force a man to go along with his society and to sail with the tide, for if he departs from the rule, he would be like one swimming against the tide.

"One also notices that young men enter into these marriages immaturely and with a lack of awareness. In a foreign country the young man is deprived of a family, of relatives and friends, so he holds on to any person for whom he has even the least emotion.

"However, as soon as he goes back to his country, these feelings change, and he discovers that he was fooling himself."

Khalid Is Justified

This is the final outcome of marriage to foreign women. Let us go back to "Bayt Abu Khalid" and to the end of the story of Khalid's marriage to Susan. Khalid divorced Susan despite her pleas and despite the fact that she loved him. He

divorced her even though many of the viewers forgot about Khalid's problem and sympathized with his poor wife.

But Khalid was justified. His wife could not deny her own nature, and he was not able to make her become a part of his world.

Marriage to Non-Bahraini Men

Manama AL-MAWAQIF in Arabic No 434, 2 Aug 82 pp 6-7

[Article by 'Adnan al-Musawi]

[Text] Among the problems that Bahraini citizens who are married to non-Bahraini men have is that of housing. The state, which provides homes, apartments and land to its citizens, denies Bahraini citizens who are married to non-Bahraini men and who live with their children in Bahrain the right to have housing. They are even denied the right to rent an apartment.

The problem requires a solution, since those with the problem are living in Bahrain, on Bahraini territory.

The problem was raised by three Bahraini citizens whom I had met at one of the offices in the Ministry of Housing. One of them had turned in an application to the authorized official who told her after reading her letter, "There is no need for you to take the trouble. A law has recently been enacted stipulating that any Bahraini citizen married to a foreign man, even if that man were a citizen of one of the countries of the Gulf Cooperation Council, is to be denied the benefits of having an apartment, a housing unit or a lot of land."

I've Even Been Denied an Apartment

It was in that same office where we met that I interviewed the three women about this problem that is worrying them.

Nasrah 'Abdallah is a homemaker from al-Had. She married a Saudi citizen, and as a result of her marriage, her application for a home and even an apartment was turned down.

"Of course we do not own a home. Ever since we got married, we have been like itinerants. We move from house to house in search of an appropriate house where we can live with dignity. So far, however, we have not been successful in finding that house because we do not have enough money and because rents are high. As you see we are living in a one-room house. It is an old, dilapidated shack that we expect will collapse any time. It may collapse today, not tomorrow. Rent for this house is 60 dinars."

I Am Not Entitled to a Home or an Apartment

I asked her, "Why didn't you as a Bahraini citizen submit an application to the Ministry of Housing to get a house or an apartment?" She replied, "As you know, my husband is not a Bahraini citizen, and we are not entitled to apply to the Ministry of Housing for a home or even an apartment. As a citizen of Bahrain I am not entitled to get a home or an apartment."

Nasrah 'Abdallah goes on to add, "We are paying a large sum of money to live in this house that is about to collapse. But what else can we do when we cannot find any other place to live? Because we pay only this sum in rent, there is hardly anything left of my husband's income for our living expenses. Therefore, my neighbors help me because of these difficult circumstances in which I am living. Some of my relatives also help me. And I cannot forget the favors of Dar al-Hanan [House of Mercy]. They helped me a great deal after they looked into my case and found out about my difficult circumstances. Officials at Dar al-Hanan even purchased an air-conditioning unit for us, and they've been raising my daughter, Nasimah, for 3 years.

"Last year I tried to submit an application to the Ministry of Housing in the hope of getting an apartment since I am a Bahraini citizen. But officials turned it down when they found out that I was married to a non-Bahraini citizen.

"I tried to meet al-Shaykh Khalid ibn 'Abdallah Aal Khalifah, the minister of housing, to explain to him my personal circumstances and to indicate to him my housing situation, but I was not able to do so."

A Message to the Heart of the Minister of Housing

"I am therefore sending this message to the minister of housing through the magazine, AL-MAWAQIF. I am hoping that it will touch his heart and that he will find a solution to our problem. My husband and I have been living with a family of seven persons in an old, dilapidated house that is about to collapse. We occupy a room built of twigs which lacks the sanitary conditions for human dwellings. As a Bahraini citizen I am asking the Ministry of Housing to reconsider its decision and to approve of Bahraini citizens who are married to non-Bahraini men being granted a home or even an apartment as long as that Bahraini citizen and her children are living in this good land, the dear and cherished land of Bahrain."

The second case is that of the citizen, Batul Mahmud Muhsin. She is a Bahraini homemaker and she is married to a Saudi citizen.

Batul says, "What has a Bahraini woman who marries a non-Bahraini citizen done to deserve to be denied any other rights that Bahraini citizens enjoy as long as she is living in Bahrain? Why should she be denied this most important of rights: the right to have a home that would give her and her family stability? We are not asking for a house or for land; we are only asking for an apartment for ourselves and our children.

"I am asking how is it that some citizens who are married to Arab men who are not citizens of Gulf countries, are living in apartments while Bahraini citizens who are married to men from Gulf countries are denied those apartments? I have evidence and witnesses to support what I am saying. Therefore, I am asking the minister of housing, Engineer al-Shaykh Khalid ibn 'Abdallah Aal Khalifah to find a solution to our problem: the problem of Bahraini citizens who are married to non-Bahraini men. We want him to provide us with stability.

They Expressed Their Regret because I Was Married to a Non-Bahraini Citizen

"I am telling the minister that I have filed several applications for an apartment and that I've checked back with the Ministry of Housing several times. My

application was turned down each time, and I was told that it was because I was married to a non-Bahraini citizen.

"My husband and I and my children--there are 10 of us--live in a house that we rent. The house is small. All I am asking is to rent one of the apartments the state has provided to its citizens. And I am one of those citizens."

Her daughters, Layla and Safiyyah interrupt and say, "We are all living in this small, unsanitary house. Sunlight does not come into the house which is very damp. As a result, we all have rheumatism and other diseases, and we pay 75 dinars in rent. Because our mother married a non-Bahraini citizen she is not entitled to a home, but why shouldn't she be entitled to a rental apartment? Why shouldn't she be able to rent an apartment where she and her children who were born and have been living in Bahrain can live?"

"We are hoping that the minister of housing will respond to our appeal--the appeal that we and those with similar cases are making. We are telling the minister of housing that we only want an apartment to rent. We want a healthy apartment that offers what this unhealthy apartment does not have."

The third case is that of Na'imah 'Abbas 'Isa, a nurse. Her husband is not a Bahraini; he is a Saudi citizen.

They Gave Me Land, but They Declined To Give Me an Apartment!

Na'imah says, "I've had a problem with housing ever since I became engaged. When I submitted an application for housing to the Ministry of Housing, the ministry approved of my getting a lot of land, and they defined the area of this lot which I could use. But I turned down the land because my husband and I cannot afford to build a home. Then I submitted an application for an apartment. After it was reviewed by officials in the Ministry of Housing, I was surprised to learn that my application had been turned down.

"When I inquired why my application was turned down, I was told because I was married to a non-Bahraini citizen. I told them if this is the case, there are in Bahrain many women who married men who are citizens of Arab and Gulf countries. Is it reasonable to deny housing to all those wives?"

"As citizens we are hurt by this decision to deny us the right to have housing like other citizens.

"We are all living with our children in houses that we rent. These houses are not at all compatible with our conditions. Most of these houses lack minimum sanitary conditions, and this exposes most of us and our children to disease and danger."

Will the Minister of Housing Find a Solution to Our Problem?

"We are hoping that the minister of housing will find a solution to our problem. This is not the problem of one or two women. It is a problem that is affecting many women who married non-Bahraini citizens. It is a public problem that officials must solve.

"We are not asking for the impossible. We are only asking for a healthy, suitable apartment for rent. Such apartments are made available by the state to all citizens, and we are citizens. But our crime is that we married men who are not citizens."

Another similar case:

Citizen B.M. from the residential area of Umm al-Hasam is married to a Saudi citizen who is employed by one of the national companies. She lives in a rented house about which she says, "The house is in a very poor condition. It is very small and has only two rooms. It is a very old house; it is not a healthy house since it is an old house. I presented the problem to the Ministry of Housing and asked that I be given an apartment. I presented my case in a letter in which I explained my conditions. But I found out that the ministry had enacted a law that denied Bahraini women who married non-Bahraini men any benefits from housing projects. Therefore, my letter was useless, and I am still living with my family in that house. I don't know what the future holds for me, for my husband and my children."

The citizen adds, "What I know is that in the past the ministry used to give apartments and housing units to Bahraini citizens who were married to citizens of Gulf countries. Now, however, it is denying the benefits of those services to its female citizens, and we don't know what is the wisdom behind that. Saudi, Kuwaiti or Qatari citizens are citizens of countries that are members of the Gulf Cooperation Council, and it is unfair to consider them foreigners."

The citizen who did not wish to state her name, stating that reference to her initials was enough, concluded her presentation of her problem with an appeal to the minister of housing. She is asking that the forementioned law be considered and that female citizens not be denied the benefits of housing projects which the state is providing to its citizens. There is no fundamental reason to justify that denial of rights which will undoubtedly have negative effects on the needy female citizens of this country.

8592

CSO: 4404/638

AMUSEMENT PARK PLANNED TO BOOST TOURIST INDUSTRY

Manama GULF MIRROR in English 4 Sep 82 p 1

[Article by Elizabeth Kirkwood: "Multi-million Leisure Park for Bahrain"]

[Text] A MULTI-MILLION-dollar leisure park is on the cards for Bahrain in a scheme which would give a major boost to the country's developing tourist industry and rival similar facilities elsewhere in the Gulf.

The plan, for a \$33-38 million centre, has been drawn up by consultants Module 2 for the Central Municipal Council's Parks Directorate.

It includes a fun fair, an entertainment centre with ice-skating rink, bowling alley and electronic games, a mini Grand Prix track, an ornamental boating lake, a wave pool, and a 40-metre sky-tower which would provide panoramic views across most of the islands.

There are also plans for a model of an Arabic village with traditional buildings and examples of local crafts such as weaving and basket-making.

An aviary, an aquarium and an area for plants and small animals indigenous to Bahrain is also planned.

Leases

The site chosen for the proposed Bahrain Municipality Leisure Park is next to the Al Aali Sports Club which is to be built in Zinj off the dual carriageway which will lead from Mina Sulman to the causeway at Jasra.

"We have had a couple of meetings about the park so far. Construction could begin in

1983 and if this proposal is accepted it would take between 18 months and two years to complete," said park planning consultant Dr Ronald Koller.

"One possible way to finance the park would be to invite companies to lease property from the Municipality and build and run individual sections themselves," he added.

The Parks Directorate is also finalising arrangements with the Ministry of Works, Power and Water to create a green belt along the sea front from the central market roundabout to Mina Manama in the first phase, and on to the Holiday Inn in the second phase.

Fishing

The \$5 million development will consist of picnic areas, cafes, active play areas and fishing piers.

A similar plan is under way for a two kilometre development along the sea front from the Marina Club to Mina Sulman.

The first phase, involving an access road, parking area and tree planting, is already completed.

The second phase involves planting grass and additional trees and creating picnic areas. Finally, fishing piers, jetties, and possibly boat launching ramps will be added. The development is due to be completed by late 1983.

CSO: 4400/494

CUSTOMS DUTIES SAID TO HAMPER LIGHT INDUSTRY

Manama GULF MIRROR in English 4 Sep 82 p 10

[Text]

THE PLASTICS industry of Bahrain, like other light industry, needs a helping hand from the government to develop further, local manufacturers say.

One of the main bones of contention is customs duty.

"We pay five per cent on raw materials and machinery, while importers pay five per cent on the finished product from the Far East," one factory owner complained.

He said that two compatriots had tried to set up plastics factories recently — one had folded in three months and the other in six.

Protective

"Yet there is still plenty of scope for the industry here," said Nabil Al Zeera of Zeera United Factories, which make plastic carpets and matting.

The price of raw materials imported from Czechoslovakia and Korea was \$600 a tonne last year.

"Nowadays we are trying to get it at \$1200 a tonne and it can't be found," Mr Al Zeera said.

Despite the difficulties, which many businessmen agree would be eased by a more protective policy, this small industry has been going strong for 20 years.

Awal Plastics, owned by Mohammed Ali and Abdulla Abdulrahman, is 23 years old, employs 100 staff and is now expanding into second premises in Isa Town. Awal imports sheeting and specialises in signs, although it makes other sundries. Its most valuable customer is the government, especially the Ministry of Works, Power and Water and the Traffic Directorate, which order road and traffic signs, licence plates and house numbers on a regular basis.

Mats

Other sign manufacturers include Danah, now five years old, which also cuts roller blinds, stickers and display stands and has a turnover of about \$159,000 a year at its factory in Adliya. Bahrain Neon, owned by Said Moosa Al Alawi, specialises in sign-making and has a turnover of \$265,000 a year.

Zeera United has passed its fifth anniversary and plans to expand in 1983 to double production. The factory at Sitra

employs 25, producing about 200,000 items a year, mostly plastic carpeting picnic mats and prayer mats. The company is now exporting to Doha and will move into Saudi Arabia shortly, with a view to eventually, expanding throughout the Gulf.

Gulf Plastics, established in 1968 by Rashid Zayani, makes a wide range of locally-consumed items, such as soft drink crates, jerry cans, air conditioner louvres, pipes and fittings and plastic bags.

Its machinery has capability for the blow-moulding of hollow items, injection moulding for solid pieces, extrusion for pipes and vacuum-forming. Over the last 12 years it has emerged as one of the largest manufactures on the island, situated in Manama. It supplies many of the island's numerous contracting companies.

CSO: 4400/494

IRON PLANT TO FLOAT \$10 MILLION SHARE ISSUE

Kuwait ARAB OIL in English No 9, Sep 82 p 29

[Text] The Arab Iron and Steel Company, builders of massive iron pellet plant in Bahrain, will float a 10 million dollar share issue this month, said a report in the Khaleej Times.

The Dubai based paper said that the company's plant will be near the Arab Shipbuilding and Repair Yard and will produce four million tonnes of iron pellets a year using partially refined ore.

It is a major part of Bahrain's heavy industrialisation program and will create about 300 jobs when it is finally commissioned in December 1984. It will cost between 315 and 320 million dollars.

Its authorised capital was raised from 150 million dollars to 160 million dollars in January this year of which 150 million dollars is paid up. The 10 million dollar issue will be for Bahrainis only and comes at the request of the government, said the general manager of the company, Omar Grine.

"Everyone thinks this is good investment and a good opportunity so everyone wants to have a share of it," he said.

In 1980, a 50 million dollar public share issue for the Gulf nationals other than Bahrainis was covered 43 times. Founding share-holders include the Arab Mining Company of Jordan, the Kuwait Foreign Trading, Contracting and Investment Company and the Kuwait Metal Pipe Industries.

The reclamation of the first stage of one million square meter site is almost finished. "Everything is on schedule," he said. "We hope to finish the first section by the end of this month, which is where the plant will be built."

Site

The first section is 1.3 kilometers long and 400 meters wide, and on July 10 the site was

turned over to Kobe Steel of Japan, the main contractors.

"Our schedule calls for start-up of the main civil work by the end of this year. Soil testing for piling and civil works is continuing," he said.

John Howard of Britain was awarded a 14.07 million dollars contract for building a 485 meter long, 35 meter wide jetty for unloading raw materials and shipping out finished pellets but the work has now been undertaken by Kobe's main subcontractor, Al Jazira Contracting Company of Bahrain.

"When we were in the process of giving the jetty to John Howard we were at the same time in the process of finalising the main contracts," said Grine.

"Before we finalised the main contract one of the contractors said that they wanted control over work on the jetty too. We went to John Howard and asked them how they felt about this and they said that they had no objection. Then the contract went to Kobe Steel which had asked for sole control and supervision of the jetty to speed up operations. John Howard and Kobe Steel would not agree. It was a problem between contractors. Kobe is fully responsible for the operation in a turn-key contract. We are not concerned with who does what as long as it is done on time," the general manager said.

He added, "Kobe steel has about 50 sub-contractors. In a contract of this nature the main contractor will submit to his client a list of potential sub-contractors usually three or four per area. Before a contract is signed, they have to be approved by the client. That is what we did. A number of sub-contractors were approved and then Kobe Steel can choose any for the job."

BRIEFS

PREFABRICATED MOSQUE--And now there are prefabricated mosques, Maurice Litton, managing director of Trans-Arabian Exports, who visited the UAE in February as part of a five country tour, said in London last month that he hopes to secure several orders for his prefabricated mosques. He said that when in the Gulf, he noticed people praying in buildings made of corrugated iron, and this gave him the idea of designing prefabricated mosques which would take just about nine weeks to erect. Each would cost around 150,000 dollars. A 17 meter long mosque would accommodate 175 people but any size was possible, he added. The major problem he said, was the minaret but this has been overcome after going through history books. He chanced to find that in olden days, Bedouins placed a spear in the ground whenever he made camp in the desert. The 'spear' is somewhat different from the traditional one but it solves the purpose, he said. The spear can accommodate one or two persons at the top. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 pp 26]

LOAN TO INVESTMENT FIRM--A 200 million dollar syndicated loan, the largest ever put together in Bahrain for a private borrower, is being arranged by the Bank of Bahrain and Kuwait, according to the KHALEEJ TIMES. "This proves that there is a market for big loans in Bahrain," said the bank's Deputy General Manager, Ghazi Radhi Al Musawi. The loan is for the Bahrain and Kuwait Investment Company, which was formed as a Bahraini offshore company earlier this year, with a paid up capital of 165 million dollars. The loan carries interest of one per cent over the Bahrain inter-bank offered rate, over its entire four-year term. Al Musawi said that the loan was not earmarked for any particular project. As well as the bank of Bahrain and Kuwait, the loan's lead managers are Kuwait Foreign Trading, Contracting and Investment Company, Al Ahli Bank of Kuwait, the Gulf International Bank, Arab Banking Corporation, Saudi National Commercial Bank, United Gulf Bank and the Bahrain Investment Company. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 26]

BIC PROFITS DOWN--BIC, the Bahrain Insurance Company, made a marginal increase in profits last year, despite a 'year of problems and changes,' according to its recently published annual report. The report stated that company profits recorded only a 0.1 per cent increase to 767,000 dollars. Apparently there had been a substantial increase in expenses because of the need to employ high calibre staff. BIC also blamed its small profit margin on the 'substantial deterioration' in the local motor insurance market. The company dealt with 6,000 claims in 1981 compared with 4,000 in the previous year, and believes that this increase resulted from poor driving at excessive speeds on crowded

roads. BIC claims to handle about twice the amount of local motor insurance business than its closest rival. Gross premiums written however, showed a 22 per cent rise, and investment income grew by 57 per cent due to high interest rates. BIC also invested in 11 public Bahraini companies last year, increasing its shareholding in a further 10 firms. The company's total assets decreased from 13.2 million dollars to 11.9 million, but net assets rose from 4.2 million to 4.8 million. Shares also increased in value from 72.262 dollars in 1980 to 77.399 dollars in 1981. BID has recently given a 7.5 dollar dividend on every 30 dollar share, and a tenway split was ordered which rendered each share worth 3 dollars. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 26]

NEW RESERVOIR--The Municipal Council recently agreed to a Ministry of Electricity and Water request for a 25,000 square meter area of land at Umm Qadir. The Ministry plans to use the land for the construction of a water reservoir. The Ministry eventually plans to lay a water pipeline from the reservoir to water tanks at Mina Abdulla. The Municipal Council agreed the scheme, but stipulated that the pipeline must not interfere with other utilities and services. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 26]

NBB PROFITS UP--The National Bank of Bahrain last month announced a 3.6 million dollar profit for the first six months of this year, an increase of nearly 59.4 percent over the figure for the first six months in 1981. Assets of the bank increased by 38.5 percent from 836.9 million dollars of June 1981, to 1.2 billion dollars at the end of June 82. Loans, advances and overdrafts increased by 23.6 percent over the same period, to 440.1 million dollars. Total customer deposits increased by 65.3 percent during the period June 81 to June 82 to 750.1 million dollars from 469.8 million dollars. The deposit to loans ratio improved from 132 percent to 175.5 percent. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 27]

SUMITOMO CONTRACT--Sumitomo Corporation of Japan is to construct eight new 66 KV substations and modify five existing ones for a total cost of 35 million dollars, it was reported last month. The report said that Bahrain's Minister for Works, Power and Water, Najid Al-Jishi, signed the contract with Sumitomo in the middle of last month. The Acting Director of Electricity, Mustafa Sayed Ali, said that this new addition will take care of Bahrain's power needs upto 1985. This includes the Gulf Petrochemical Industries Plant now under construction, the developing Sitra industrial area, and the forthcoming Gulf University and the Medinat Hamad. Medinat Hamad, a new township being built in the west central region of Bahrain, will accommodate 80,000 people. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 27]

ABC ASSETS--The Arab Banking Corporation, ABC, one of the largest banks in Bahrain, recently reported an 80 per cent growth in assets, to 6.3 billion dollars on June 30, from 3.5 billion at the same time in the previous year. The target for the full year is 7.5 billion dollars, against 4.8 billion at the end of December 1981. ABC has been less aggressive this year than last in the syndicated lending and securities market. Total loans and advances grew in the first half to 1.9 billion dollars from 1.2 billion a year earlier, and the bond portfolio remained steady at around 300 million dollars. The bank is now

trying to diversify its activities, particularly in the fields of investment broking, mergers and acquisitions. On June 22, ABC secured the services of a team of former Orion Bank staff, led by Fred Fisher, who is creating an investment division as part of its London office. Following the recent openings in London and New York, a full ABC branch is to open in Singapore next month. Established in 1980, ABC has a paid up capital of 750 million dollars. Net earnings for its first 20 months of operations to December 1981 were 139 million dollars, and improved profits are forecast for this year. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 27]

GULF RIYAD BANK CAPITAL--The Gulf Riyad Bank of Bahrain has raised its capital from eight million dollars to 25 million dollars authorised and 20 million paid in, to meet growth, reports the Gulf Mirror. The paper said that the increase took place on June 30 by capitalisation of reserves for six million dollars and issuing of new shares worth six million dollars. New and bonus shares have been distributed to the shareholders proportional to their ownership. Taking into consideration that the bank's subordinated loan has been extended for an additional period of five years to June 1987, the total capital funds of the bank now exceed 50 million dollars including remaining reserves and profit accumulated. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 27]

BANOCO BUDGET REPORT--The Bahrain National Oil Company (BANOCO) gave details of its budget for the first time since it was set up in 1976. Published recently in the Bahrain Government Gazette, the budget estimated the company's earnings for 1982 at 676.5 million dollars, out of which 551.7 million dollars were earned by oil. The report said that expenditure amounted to 206.3 million dollars, leaving a surplus of 407.25 million dollars which will be transferred to the state treasury. The report said that comparison of 1980's earning through oil could not be made with the earning during previous years as data was not available. However, the report pointed out that the peak was reached in 1970 when Bahrain produced 28 million barrels. After 1970 production declined but this was offset by the rise in fuel prices. The report added that even though earnings of Banoco are small they contribute a lot to the economy of the nation. Bahrain's budget for 1982 of 1.5 billion dollars will be covered to a major part by oil which is likely to contribute 72 percent or 1.12 billion. Besides Banoco, the money will come from Bahrain's 60 percent stake in the Bapco refinery at Sitra and the Abu Safar oil field which it shares with Saudi Arabia. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 27]

TOURISM COMPANY PROBLEMS--With the sale of a part of land earmarked for the construction of a marina, and capital raised through its share issue in January 1981, the Bahrain Tourism Company, (BTC) has managed to pull itself out of the financial dilemma it has been in for the last two years. A spokesman for the company said in Bahrain last month, that problems came up because of "too many rooms." The BTC's gross income in 1980 was only 8.1 million dollars, a 12 percent drop from its previous years earnings of 9.3 million dollars. With the newly received 35 million dollars the company has been able to pay off almost all its creditors except its major one, General Organisation for Social Insurance (GOSI) which is also the company to purchase the marina land. The spokesman said 36,781 square meters of the land was sold which leaves about 400,000 square meters still with BTC. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 27]

CAR PARK PLANS--The Bahraini-British joint venture, Jalal-Costain, was recently awarded a 22.5 million dollar contract for the construction of a multistorey car park in Manama. The new scheme will have facilities for 800 cars, and will include a shopping complex, offices and banking areas. The project will be known as the Carpark Commercial Center. Jalal-Costain, who have been in partnership for two years, expect the complex to be completed within 20 months. The joint venture's first major contract is nearing completion. It involves the construction of a 22 million dollar National sports stadium at Isa Town. The stadium has a unique design with a suspended roof, and has seating for 30,000 spectators. Jalal-Costain have also recently completed a 7.5 million dollar store and laundry for Sulmaniya medical center, and a 4.5 million dollar luxury cinema. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 28]

OIL SHOW NEXT MARCH--The Third Middle East Oil Show and Conference is scheduled to be held in Bahrain between March 14 and 17 next year, according to the WEEKLY GULF TIMES. The show will be held in Manama's new Exhibition Center. Initial response has been so great that demand for space looks like outweighing supply. More than 300 exhibitors have so far applied for over 4,500 square meters of space. As in previous years, all major Gulf oil firms are backing the show, making it the only show receiving such widespread support. Messages of support have already been received from Aramco, Kuwait Oil Company, Qatar General Petroleum Corporation, Abu Dhabi Marine Operating Company, Petroleum Development Oman and the Arabian Oil Company. The Society of Petroleum Engineers, the show organizers, met in Bahrain earlier this year for preliminary discussions on next year's program of technical sessions. Topics selected by the society include, gas management, enhanced oil recovery, geology, environmental issues, surface and sub-surface producing operations, field case histories, reservoir stimulation, drilling, construction and offshore operations. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 29]

NEW MARINE SALVAGE CENTER--SMIT International's Middle East branch SIME, recently took delivery of equipment needed to operate a marine salvage base in Bahrain, according to the WEEKLY GULF TIMES. The establishment of the new base, which will be the service center for all SMIT oceangoing tugs and floating equipment operating between the Mediterranean and Singapore, coincides with a switch of local agency from Gray Mackenzie to YBA Kanoo, who is also the agent for SIME's 40 percent shareholder Nedlloyd. In order to minimize the cost of salvage operations between Suez and the Indian Ocean, SIME will stock electrically driven submersible water pumps with a total capacity of 1,500 tons per hour, hydraulic pumps for the transfer of 600 tons of crude oil per hour, and also hoses, connectors and reducers. The base will also stock diving equipment and recompression chambers, compressors, airlifts, and underwater cutting, burning, welding and patching materials. SIME also have a 30 foot launch for work within the port limits. SIME's equipment is supplied by a Dutch company, who recently flew out pumping equipment to enable SIME to refloat a grounded 60,000 dwt Japanese tanker 30 miles out from Ras Tanura. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 29]

WEST COAST HOUSING COMPLEX--The Ministry of Housing has brought forward the date for the start of the construction of 150 houses in the new town to be built on a desert site on the west Coast of Bahrain. The town which is to accommodate 70,000 people, will eventually have (16,000) houses in the finishing stage by the end of this year. The Ministry has engaged the American architects, Mcgaughy, Marshal and McMillan as urban design consultants. They started work in March this year. A spokesman for the company said that they have gained extensive town planning and construction work in Libya. The company was selected from 12 applicants. A Bahraini government official told the press that nearly 200 subcontractors will be engaged. The idea is to award contracts to as many local companies as possible. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 29]

CSO: 4400/494

ROLE OF NILE IN EGYPTIAN SECURITY DISCUSSED

Cairo MAJALLAH AKADIMIYAH NASIR AL-'ASKARIYAH AL-'ULYA [Journal of the Nasir Higher Military Academy] in Arabic No 10 May 82 pp 137-154

[Article by Staff Brig Muhammad Faruq al-Sunbati: "The Security of the Sources of the Nile and the Role of the Nile in Egypt's National Security"]

[Text] Foreword:

Ever since Egyptians learned about the sources of the Nile in the second half of the 19th century, their attention has always turned to those sources. They would regard them thoughtfully and ponder the secrets of the river and its various characteristics. Egyptians became convinced that their lives and their hopes for the future depended on the right amount of effort made at the right time to control the waters of the Nile.

Because we believe that Egyptian national survival is tied to the security of the sources of the Nile, we will try to shed light on this matter in this article in which we will deal with the following:

First, the role of the Nile in the life of Egypt. This includes:

- The role of the Nile in realizing food security and the relationship of the Nile to agricultural expansion.
- Available water resources and Egypt's water needs.
- Joint projects with Sudan to increase water inflow.

Second, water sources in the Nile basin and the physiography of the sources of the Nile.

Third, the security of the sources of the Nile. This includes:

- The notion of national security for developing countries.
- Proposed engineering projects that threaten Egypt's share of the waters of the Nile.
- The security of the sources of the Nile from Egypt's perspective.
- The principal courses for Egyptian action--the proposed Egyptian national strategy

First, the Role of the Nile in the Life of Egypt

"Egypt is the gift of the Nile." This famous adage has been merely an

illustration of the reality of Egyptian life in the Nile Valley for over 7,000 years. It is still a major fact in Egypt where it dominates life in that country at the end of the 20th century. This is especially true now that a pressing need has emerged to restore a balance between agricultural production and the population, making [the achievement of] food security a national objective.

This requires more new land and more water inflow.

The Present Condition of Agricultural Crops

According to a 1975 report by the [UN's] FAO the shortage in the 1980 grain crop in Egypt will be about 1.27 million tons. This shortage will increase in 1985 to 3.1 million tons of wheat, beans, lentils, corn and sugar [cane].

Therefore, to cover this shortage it will be necessary to add 2 million feddans [to the cultivated area in Egypt] until the year 2000. For the welfare of future generations it will be necessary to add 2 million feddans in addition to that, making the total cultivated land [in Egypt] about 10 million feddans instead of the present 6 million feddans.

It is estimated that the water supplies needed by the new reclaimed areas will be about 24 billion cubic meters. This water is not available now.

Present Water Supplies in the Arab Republic of Egypt

Egypt's present share of water from the Nile is 55.5 billion cubic meters. This is according to the 1959 Nile Water Agreement between Egypt and Sudan.

This amount of water is not sufficient to meet Egypt's present needs, which are estimated to be about 59.2 billion [cubic meters]. The difference is made up by using drainage water and ground water.

To irrigate the present 6 million feddans the agricultural sector consumes 49.7 billion meters. The rest of the water is used for drinking, for industrial purposes and for preserving navigation on the Nile.

Joint Projects with Sudan To Increase Water Inflow

The 1959 Nile Water Agreement identified the areas where projects to increase the inflow of the Nile are located as follows:

--Projects under Construction:

[1] The Jonglei Canal Project to reduce the amount of water lost from Bahr al-Jabal by building the Jonglei Canal. It is estimated that the water gained from this project will be 4 billion [cubic] meters, which will be divided equally between Egypt and Sudan. It is expected that this project will be completed by the end of 1985.

[2] The Jonglei Canal expansion project is considered the second phase of the project. The total amount of water gained from both phases of the project will be 9 billion cubic meters.

--Projects not yet Begun:

[1] Reducing the water loss from Sobat River. It is estimated that the water gained from that project will be 2 billion [cubic meters].

[2] Reducing the water loss from the marshes of Bahr al-Ghazal. It is estimated that the water gained from that project will be 7 billion [cubic meters].

This means that the total water benefits from the projects of the Upper Nile are estimated at 18 billion cubic meters to be divided equally between Egypt and Sudan.

Analyzing Supplies and Needs

Egypt's present [water] supplies from the Nile are not enough for its needs to expand its agriculture and realize its hopes for self-sufficiency.

It is imperative for the welfare of future generations that by the year 2000 the projects of the Upper Nile and other joint projects as well with the countries of the Nile basin be completed so that more than 9 billion cubic meters of water and up to 24 billion can be added to [Egypt's water supplies] to cultivate 4 million feddans and achieve balance between the increase in population and agricultural production.

It may thus be said that for Sudan to continue to be a friendly, fraternal state that is secure and stable is an inseparable part of Egypt's security. Also the role of cooperation between Egypt and the remaining countries of the Nile basin emerges.

Second, the Nile Basin

The Sources of Water for the Nile Basin:

--The principal sources of the Nile are the Lakes Plateau and the Ethiopian Plateau. The Lakes Plateau includes the following countries: Uganda, Zaire, Rwanda, Burundi, Kenya and Tanzania.

The Ethiopian Plateau covers Ethiopia.

Egypt and Sudan are the remaining countries of the Nile basin. The importance of Sudan is due to the fact that all the tributaries and branches of the Nile as well as the mainstream of the river flow through Sudan as the river flows toward Egypt with its last supply of water.

--The Lakes Plateau:

The most important source of water in the Lakes Plateau is Lake Victoria whose inflow amounts to 24 billion [cubic meters]. The Victoria River flows out of Lake Victoria going through Lake Kyoga to Bahr al-Jabal in south Sudan. On this journey the river loses about 30 percent of its water supply so that at Juba the inflow is about 15 billion [cubic meters].

In the course of the river's journey through the marshes of Bahr al-Jabal, the river loses 50 percent of its water once again so that the inflow into the White Nile at Malakal is no more than 8 billion cubic meters.

As far as the Bahr al-Ghazal basin is concerned, the river loses [there] 90 percent of its inflow during its journey through the marshes, and its outflow into the White Nile is only 0.5 billion [cubic meters of water].

The Ethiopian Plateau

The Blue Nile and its tributaries are considered a principal source of water in the Ethiopian Plateau. The Blue Nile flows from Lake Tana with a total flow of about 3.8 billion [cubic meters]. Then several tributaries flow into the Blue Nile, making the water flow of the Blue Nile at al-Rusayris on the borders of Sudan amount to about 48 billion cubic meters.

Between Sannar and Khartoum the Blue Nile joins the tributaries of Dindar and Rahad, and these add 4 billion [cubic meters] to the water flow of the river, making the water flow of the Blue Nile about 52 billion cubic meters of water annually.

With regard to the Sobat River in the Ethiopian Plateau, its water flow too amounts to 13 billion [cubic meters].

The last river in the Ethiopian Plateau is the 'Atbarah River whose water flow amounts to 12 billion [cubic meters].

Thus the inflow of the Nile at Aswan is as follows:

21 billion [cubic meters]	(the White Nile + Sobat River)	the White Nile
52 billion [cubic meters]		the Blue Nile
12 billion [cubic meters]		'Atbarah River
85 billion [cubic meters]		Total
11 billion [cubic meters]		lost through evaporation and seepage
74 billion [cubic meters]		remaining. This represents 85 percent of Ethiopia's sources.

Egypt's share [of this supply] is 55.5 billion [cubic meters], and the rest, which is 18.5 billion [cubic meters] is Sudan's.

Salient Points in the Geography and Hydrology of the Rivers of the Ethiopian Plateau:

The important tributaries that flow into the Blue Nile are numerous. They are characterized by the rapid flow of their waters, by their steep rapids and by the fact that the sides of the river are steep, ranging from 500 meters to 1.5 kilometers.

The average gradient of the Blue Nile is estimated to be from 1 to 1.5 meters per kilometer. The 'Atbarah River shares this feature with the Blue River. This gradient is considered one of the steepest in the rivers of the world, more than 25 times the gradient of the Nile in the distance between Khartoum and Cairo--6 to 10 centimeters per kilometer.

The rivers of the Ethiopian Plateau are also characterized by the fact that they contain a large quantity of silt which is carried by the water. This is twice the quantity of silt carried by the waters of the Nile behind the High Dam.

The rocky nature of the terrain surrounding the rivers on the Ethiopian Plateau and the low water level in these rivers make any attempts to alter the course of these rivers on the Ethiopian Plateau difficult.

These qualities--the gradient and the rocky nature, etc.--change completely at the end of the Ethiopian Plateau as the river approaches the borders of Sudan, except for the Sobat River where the Ethiopian Plateau ends about 120 kilometers from the borders of Sudan.

Third, the Security of the Sources of the Nile

The Notion of National Security for Developing Countries:

In our contemporary world national security for Third World countries is tied to the process of development. No country can realize security for itself unless it guarantees a minimum of its people's basic needs. In turn, this achieves stability and internal security.

If we were to consider the countries of the Nile basin--those at the source of the Nile as well as those at the mouth of the river--we would find that these countries are among a group of Third World countries that generally resemble each other in several basic respects. They are technologically backward, and [per capita] income in those countries is low.

Consequently, security for the countries of the Nile basin depends on development, and development means progress in economic, social, political and military areas. All these areas are directly related to each other. The more progress is achieved in development, the more these countries can secure their future and their present.

To arrive at a notion of security for the sources of the Nile from the perspective of Egyptian national security, Egyptian interests in the Nile basin must be considered as well as the effect of these interests on Egyptian national objectives. These objectives are based mainly on agricultural expansion by increasing water inflow to Egypt's advantage. Then we move on to consider the principal threats to national security which are related to Egypt's Nile water needs.

--Principal Threats to Egypt's National Security Which Are Related to Egypt's Nile Water Needs:

It is indisputable that every country has basic rights which manifest themselves in each country's right to survive in the international community. Consequently, present as well as future outside and internal threats must be determined, with an eye on the fact that the origins of the Nile are Egypt's only life-giving source of water. Therefore, it may be said that the principal threats to national security which are related to the waters of the Nile are as follows:

- [1]. Economic challenges in Egypt and the failure of agricultural production.

[2]. Soviet penetration of Africa and the fact that that penetration has reached the origins of the Nile.

[3]. Violating Egypt's acquired rights to the waters of the Nile by building engineering projects that are contrary to [the interests of] Egypt.

--The Failure of Agricultural Production Is a Principal Threat to National Security

At this critical stage in the process of building modern Egypt, food security is considered an imperative necessity as a result of the imbalance between agricultural production and the population.

The simplified notion of food security signifies that basic foods are available to meet the needs of the masses. This can only come about by ensuring an appropriate amount of water from the Nile. The matter also requires that 2 million feddans be added to the area of cultivated land so that adequate grain crops can be provided until the year 2000. For the welfare of future generations and for the anticipated increase in the population, 2 million feddans more must be added to the total area of cultivated land. This will require an additional amount of water, between 20 and 24 billion cubic meters.

Egypt's security, therefore, is not only tied closely to preserving Egypt's present share of water from the Nile and to completing Nile projects with the cooperation of Sudan, but it also lies in increasing this share of water in cooperation with the remaining countries of the Nile basin.

--Soviet Penetration of Africa Reaching the Origins of the Nile

The Soviets were able to achieve a military presence in Ethiopia and in Libya. Libya's intervention in Chad continues, despite the withdrawal of Libyan troops, and it continues to be a principal source of danger to Sudan.

The success of the Soviet intervention in Afghanistan encouraged the Soviets to announce a new strategy that would force an accomplished fact upon the world. This is what has been called in international politics Brezhnev's principle of expansion:

"The Soviet Union has the right to use its armed forces not only to defend existing communist governments, as was the case in Hungary in 1965, but the Soviet Union also has to help communists come to power in areas outside the present communist world."

Consequently, direct or indirect Soviet penetration close to the origins of the Nile has become a fact, and that fact is ready to make another move against Sudan either through direct outside intervention or by causing internal unrest.

--Violating Egypt's Acquired Rights to the Waters of the Nile

Egypt's Legal and Acquired Rights to the Waters of the Nile

The principles of international law have determined that one of the most important elements that determine a [country's] fair share of the waters of the Nile

is its past use of the water of the river. Current water usage, the economic and social needs of each country and the people's reliance on the waters of the river are also to be taken into consideration. (A report by the International Law Group in Helsinki in 1966).

Therefore, the opinions of both Egypt and Sudan must be sought before any engineering project is established, begun or approved on the rivers and tributaries of the Nile. Any reduction in the two countries' water allotment would be considered an attack on their national security, especially on the national survival of Egypt.

Considering Possible Engineering Projects Which Threaten Egypt's Water Allotment from the Nile

[1]. Construction of dams on the Blue Nile in Ethiopia. It may be said that throughout the course of the Blue Nile on the Ethiopian Plateau, until that river reaches the borders of Sudan, there are no places suitable for the construction of reservoirs or dams with a large storage capacity. These architectural structures have special required engineering specifications, such as the following:

A slight gradient in the river bed, a suitable rapid current, an economic storage volume and a reasonable silt density.

[2]. None of these conditions are suitable to the characteristics of the Blue Nile except in three areas where three small reservoirs can be built for the purpose of generating electricity. After a few years however, the basins of these reservoirs would soon fill with silt. These areas are:

- [a] Shafartak area where the Gama tributary joins the Blue Nile.
- [b] The Kuti area where the Muger tributary joins the Blue Nile.
- [c] The area where the Didessa tributary joins the Blue Nile.

[3]. Regarding the 'Atbarah and Sobat rivers, reservoirs can be built on both these rivers between 70 and 120 kilometers before they flow inside the borders of Sudan. [If these reservoirs are built], about 50 percent of the inflow, or 12 billion cubic meters [of water], can be held back.

[4]. Inside Sudan it would be easy to control the water of the rivers, especially the waters of the White Nile. It would be easy to cut the outflow from the Equatorial Plateau to north Sudan and to Egypt. The most suitable area for doing that would be the dam at Jabal al-Awliya' and south of that dam.

The Security of the Origins of the Nile from Egypt's Perspective

From the foregoing principal threats one can arrive at a notion of the security of the origins of the Nile from the Egyptian point of view that stems at the same time from the principles of international law. Therefore, this is a notion that has an international legal foundation and is defined in four points as follows:

[1]. It is necessary to insist upon and to preserve Egypt's legal and acquired historical rights to the waters of the Nile.

[2]. The inflow of the Nile is to be increased for the benefit of future generations.

[3]. The security and stability of Sudan are to be preserved.

[4]. The countries where the origins of the Nile are located are to be assisted in achieving development in the various political, economic, cultural and military areas so as to promote the security and stability of Sudan.

The Principal Courses for Egyptian Action--the Proposed Egyptian National Strategy

Egypt's success in achieving security for the origins of the Nile are determined by the extent of its ability to take action on two principal courses:

The First Course: Forming an Organization for the Countries of the Nile Basin

[1]. An organization for the countries of the Nile basin is to be formed; it is to be modeled after the structure of international or regional organizations. Egypt is to establish its ability as a leader and a pioneer in this political and economic bloc for the countries of the Nile basin for the purpose of drawing up a new agreement for all the countries of the Nile basin. This agreement would define the acquired rights of all the countries in accordance with international practice.

(Ethiopia is claiming that it did not sign any treaties with Egypt with regard to using the waters of the Nile).

[2]. New prospects for creative cooperation are to be initiated so that the waters of the Nile basin can be utilized in an ideal fashion, and joint projects can be established. Egypt and Sudan need the water, and the remaining countries of the Nile basin need electricity.

(The water that is lost from the Equatorial Plateau is 75 percent of the inflow).

The Second Course: Integration between Egypt and Sudan

The process of integration between Egypt and Sudan is to be expedited. A firm earnestness is to be observed in applying the mutual defense treaty between the two countries when Sudan is exposed to any danger. Suffice it to say that he who controls the reservoir at Jabal al-Awliya' can cut off the flow of water from the Lakes Plateau or at least delay the outflow of that water.

Conclusion:

I hope I have been successful in shedding light on the origins of the Nile and on the role they play as far as Egypt's national security is concerned. This role is not only related to security, but it is also related to Egyptian survival, to the formulation of an Egyptian notion [of security] as a political objective and to the courses of action as a national strategy.

EGYPT

EGYPTIAN-ISRAELI RELATIONS ANALYZED

Cairo MAJALLAH AKADIMIYAH NASIR AL-'ASKARIYAH AL-'ULYA [Journal of the Nasir Higher Military Academy] in Arabic No 10, May 82 pp 155-178

[Article by Staff Col Sami Ahmad Kamil Hishmat: "Egyptian-Israeli Relations in Light of the Peace Treaty"]

[Text] The Arab-Israeli struggle, like all other struggles in the world, is based on a conflict of interests and values between the parties in question. But it was Egypt's awareness of the magnitude of this conflict and of the fields of values and interests [involved] that impressed upon both parties the fact that their interests are related, [and they] replaced confrontations and clashes with mutual understanding.

The Egypt of Peace

Egypt is striving for a comprehensive peace which the largest number of Arab and non-Arab countries would be asked to join as partners, witnesses or guarantors. This peace would be supported and approved by the two superpowers and by international organizations.

Peace enabled Egypt to regain its territory and its resources in Sinai. Peace [also] defined for Israel, for the first time in its history, internationally recognized borders. Egypt won the confidence of the western world and of world public opinion after Israel had had that for itself throughout its lengthy struggle with the Arabs. The U.S. position changed in Egypt's favor, and this was reflected in the volume of material and moral support [that Egypt received] from the West. It was this that gave Egypt the capability to turn its attention toward solving its internal problems. In addition, peace delineated [the question of] Palestinian rights.

Despite these positive attributes, one of the most prominent drawbacks of peace for Egypt has been the widening gap between it and the Arab countries.

Israel and Peace

The climate of peace is forcing a new reality upon Israel that is considerably different from its traditional reality, which is also different from those conditions and methods that were endorsed by the generation that founded Israel.

These conditions and methods regarding managing Israel's political relations are also endorsed by the second generation that is still in power. It is this climate of peace that will produce a new political force which will have its impact and its effect on political thinking and interactions.

Peace has had its positive effects on the Israeli entity. Israel's existence has been legitimized, and security guarantees have been achieved. Israel's political isolation in the area, which was imposed by Arabs, has been broken and Israel's interests with the United States have been reinforced in the wake of the growing U.S. role in the peace process. In addition, Israel's position at international gatherings has been improved. Besides, there is a possibility that channels of communication with the Soviet Union may be furthered when Arab acceptance of Israel becomes broader.

Peace has had its drawbacks for Israel, however. The most prominent of these may be the end of the call for an Israel with open borders and this large quantity of disputes which became evident between the institutions of the state and those of the Zionist Movement. Internal struggles also broke out, and the remaining Arab parties insisted that in their coming negotiations with Israel they would insist on the principle of evacuating all occupied territories, following the example of what happened in Sinai.

In the effort to achieve its strategic objectives, Israel is striving to live within secure borders sheltered by political, economic and cultural superiority. Israel wants to utilize regional and international given factors to make Arab countries join the peace treaty by force or voluntarily. It wants to postpone negotiations on the Palestinian question as long as possible in an effort to gain acceptance for its accomplished facts and to test Egyptian and Arab intentions. Israel is striving to reach those Arab countries that it had previously dealt with to establish relations with Arab minorities in those countries in order to establish footholds for itself in those countries. On the international scene Israel will try to regain its prestige and its ties to the strategic interests of western countries and of the United States. It will try to strengthen its economic and political ties with the countries of the eastern bloc and with the countries of the Third World, especially African countries. Israel will also try to further its relations with Jewish communities throughout the world.

Economic Relations between Egypt and Israel in Light of the Peace Treaty

Israel has been proposing numerous joint cooperation projects ever since the peace treaty was signed, in the hope of establishing broader economic cooperation with the remaining Arab countries in the future. Under such cooperation Israel would plan and direct the use of these countries' human and material resources.

The Egyptian economic system is characterized by the fact that it underwent successive changes in previous years. These changes had led to increased instances of stockpiling, bottlenecks and shortages despite the tremendous capabilities of the Egyptian economy which are illustrated by Egypt's natural resources, its raw and primary materials and its energy sources. Besides, agricultural capabilities are available and there is an industrial and a mining foundation that can be developed. Changes were also affected by the availability of experienced personnel and workers and by the fact that the Egyptian consumer market is a large

market. Besides, national revenues from the Suez Canal, from oil exports, from tourism and from the return on Egyptian manpower abroad are increasing. In addition, Egypt has recently adopted an open door economic policy.

Normalization and the Egyptian Economy

The normalization of Egyptian-Israeli relations has had positive effects on the Egyptian economy. Egypt regained its natural resources and its tourist [attractions] in the Sinai Peninsula. The volume of foreign investments, trade and economic assistance from western countries increased after the peace treaty was signed. In addition, there was a relative reduction in military spending, and the production capabilities of military plants were made available to serve civilian production. The armed forces are being given an opportunity to solve the problems of the masses. Although these and a few other positive aspects were realized under the economic cooperation [program] between Egypt and Israel, this does not mean that there were no drawbacks. These drawbacks are caused by the competition that Egyptian products face, particularly since Israel's economy had achieved progress in the areas of product quality, marketing and reduced prices in the course of its trade relations with the countries of western Europe. However, with comprehensive economic planning, with studies in advance about the aspects of cooperation and the volume and kinds of trade, Egypt will be able to contend with these drawbacks.

Egypt links the normalization of economic relations to Israel's implementation of the articles of the peace treaty, the realization of a full withdrawal from occupied lands and Israel's recognition of the legitimate rights of the Palestinian people.

From this premise Egypt thinks that in choosing the focal points for its actions it has to honor the commitments it made at Camp David as well as those it agreed to in the memoranda of agreement. Egypt thinks it should not permit the establishment of any project that can diminish Egyptian sovereignty or give the Israeli economy an advantage to achieve a superior position, control and monopoly. Such projects are not to affect Egypt's national plan for economic development; they are not to increase the separation between Egypt and the Arabs; nor are they to diminish Egyptian presence in [Arab countries].

In this context the areas for economic cooperation between Egypt and Israel which Israel will try to bring about include animal and poultry resources; fish resources; and some areas of industry, mining, construction, building, chemicals and pharmacology. Experiences in technology and electronics would be shared, and [there would be cooperation] also in the areas of tourism, management and some areas of foreign trade.

Egypt thinks it is important to exclude some areas out from joint cooperation such as banking, except for the Suez Canal Bank; all insurance services; the money market; oil; the public sector; the areas that serve the state's strategic interests; the media; culture; education; sociology and Sinai.

Israel's Economy and the Effects of Peace

Israel will benefit from peace. It will reduce its military expenditures, and

this will enable it to utilize its human and material resources in economic areas that would strengthen its civilian production. In addition, foreign investments would flow increasingly into Israel under peace. Peace would also provide opportunities whereby agreements can be reached on water for irrigation, on exporting professional and technological expertise to Arab countries in the future and on opening the areas of cooperation with the Arab countries and with the countries of the Third World, especially African countries.

On the other hand, however, looms the spectre of increasing Israeli unemployment opposite the competition from cheap Arab labor, which is expected to flow into Israel. In addition, military spending in the early stages of the peace will increase. These expenditures will be earmarked for the relocation of Israeli forces in the Negev Desert where Israel's needs for roads and construction will increase. This will most certainly affect Israel's ability to meet the needs of the civilian sector.

With peace Israeli fears grow that some Jews who are of Arab origin may go back to the Arab countries from which they had come. If these people leave, Israel would lose some skilled people and capital. That loss would come on top of the energy sources Israel lost in Sinai--80 percent of Israel's needs--and the revenues Israel used to earn from tourism in Sinai.

Israel's View of Cooperation with Egypt

Israeli capitalists think that it is necessary to take advantage of the large Egyptian market, of the availability of cheap labor and the availability of raw materials to make up for the fact that the Israeli market is a small market suffering from a shortage in a supply of unskilled labor.

To achieve its objectives Israel is striving to obtain freedom of movement for people and capital; freedom of trade in national goods and products; freedom of transportation and transit; [free access to] the means of transportation and civilian ports and airports; and the freedom to reside, work, seek employment and pursue commercial activity.

This illustrates the strategic objective of the Israeli economy in the coming period. Israel wants to launch its economic capabilities for the purpose of forming a strong economic base that would enable it to benefit from peaceful relations and help it achieve the economic penetration it has been hoping for. To do this, Israel would utilize Egypt's human and material capabilities, and in the future, those of the Arabs in an attempt to impose economic control on the area.

These objectives become clearly evident when Israel's views on the form of future cooperation are dealt with. Israel has proposed several projects and ideas that seek to establish an economic bloc in the area modeled after that of the countries of the European Common Market. Israel is trying to establish a Marshall Plan for the countries of the Middle East by setting up a fund whose capital would be 15 billion dollars. Western countries would participate in this fund as well as wealthy Arab countries. Israel has tried to revive projects for utilizing the waters of the Jordan River and its tributaries. It is proposing projects for reclaiming desert land on both banks of the Nile; [projects for] developing agricultural and irrigation research; and [projects for] establishing joint

cooperation in storing, refining and utilizing oil to ensure that it will get the oil it needs. [It is proposing projects] that have to do with creating one of the forms of joint cooperation for utilizing the natural resources of the Sinai Peninsula; laying a railroad to link Ashdud and al-Qantarah; and establishing a joint company for land transportation in the context of building a system of land roads between Sinai, Israel and Jordan.

In addition, Israel expects forms of cooperation in the areas of contracting, construction, maritime shipping, tourism and trade; and it expects this to be followed by an increase in the volume of financial, banking and insurance cooperation.

Relations between Cooperation, Integration and Competition

Israel sees itself as superior to the Arab countries around it in areas of technology and in areas that have to do with the capital market, banks, marketing and foreign trade. At the same time Israel is suffering from a shortage in unskilled labor, in raw materials and in oil. It also has a limited consumer market. Israel thinks it can arrange to get capital at the present time from western countries and in the future from wealthy Arab countries. This, in addition to cheap labor from surrounding countries, raw materials that are readily available and a large market, will make economic integration an ideal mode for the establishment of an economic awakening in the area.

Israel thinks that integration can be applied--whether that integration is vertical or horizontal--in numerous areas such as agriculture, the textile industry, the leather industry, oil, tourism and transportation. In the textile industry, for example, Egypt would specialize in cultivating and spinning cotton, and Israel would undertake the following stages of weaving [the cotton yarn], cutting [the fabric] and marketing [the cotton clothing that would be tailored] according to the latest world fashions.

I think that Egypt must rule out making any economic agreements that would allow Israel to achieve its monopolistic objectives or grant it preferred status. It is important that this economic cooperation allow Egypt to benefit from Israeli experiences, especially in those areas where Israel achieved noticeable progress. The rates of Egypt's economic growth are to be raised, and the sources of production are to be diversified. [Economic cooperation with Israel] is not to lead to the creation of one of the forms of economic control or dominance.

Egypt should also not rule out competing in foreign markets, since Egyptian products are popular in Arab, African and Islamic markets. This is considered an incentive for Israel, which would strive to achieve a presence in those markets by developing its economic relations with Egypt. Egypt is in the process of standing up to Israeli competition. To do this, Egypt must develop the quantity, quality and technology of its industries so it can join the ranks of export industries that are capable of competing in world markets.

It is expected that there be some cooperation in the areas of agriculture, industry, tourism, research that has to do with beach erosion and research about remote sensing [processes] regarding the use of natural resources.

A Future View

In the context of these given factors Egypt has to correct its economic course under the auspices of a comprehensive economic theory that would involve correcting structural imbalances and making plans for an industrial awakening to be preceded or accompanied by an agricultural revolution. A reconstruction plan for Sinai is to be one of the foremost priorities [of this theory]. In anticipation of future competition and to enable Egypt to contend with the positive attributes of the Israeli economy, Egypt will have to plan to rely on trained manpower. It will have to provide a reserve supply of capital; introduce advanced technology; provide competent administrative leaders; rely on free competition between the various sectors; solve the problems of inflation, wages, subsidies; and relieve the burdens of military spending.

In compliance with Egypt's agreements, which have to do with the peace treaty, the establishment of relations between Egypt and Israel must not conflict with economic cooperation between Egypt and Arab countries. Cooperation between Egypt and Israel is not a substitute for Egyptian-Arab cooperation; it may be considered complementary to it. It requires that there be comprehensive planning for the volume of trade with all countries, and particularly with the Israeli state. This cooperation is not to lead to the establishment of Israeli economic projects that are characterized by domination and monopoly; nor is it to lead to the establishment of close ties between both economic systems that would expose the Egyptian economy to economic tremors when political relations are upset. This cooperation must realize for Egypt effective additions to its development. Such cooperation is to increase employment and technological development. It is to diversify the sources of production--agricultural, industrial and mining--and to avoid restricting that cooperation to any one of these areas. Cooperation is to help Egypt benefit from Israeli experiences in some areas.

Lastly, but not finally, if Egypt has to pursue a course, that course will be that of managing its huge economic capabilities in an attempt to put them to the best possible use.

Social Relations under Peace

The people of Egypt and Israel, like the remaining peoples of the world, welcome peace and want to have peace. People welcome peace more if war or a state of war had exhausted them psychologically, socially and economically and if the wars [they had fought] were not decisive in settling an existing dispute. This forces every side in the dispute to avoid its further continued loss and its wasted effort.

Egyptian Society and Peace

It is difficult to make generalizations or to find concise statements about the reality of Egyptian society which goes back more than 6,000 years. Egyptian society is full of different systems of values that have accumulated [over the years], with all that these values imply about associations, conflicts and contradictions. Not all of these values have equal importance or presence in the daily life of Egyptians. Many of them lie dormant awaiting the circumstances that require their emergence at a certain stage.

An analytical course requires that the effects of peace on Egyptian society be defined according to the Egyptian class system or on the basis of economic, professional, political, religious or cultural divisions. This analysis may also be conducted according to the rural and urban areas where people are situated.

There are groups of people, like merchants and businessmen, who find that peace and economic openness provide them with a golden opportunity in the region and throughout the world. Therefore, their support for peace has been broad. Also the lower classes find that in peace they will find a way to prosperity, they will get rid of suffering and they will find a way to a better life. However, political elements and some extremely religious groups express reservations about peace. This is due to their own view and understanding of the nature of the Arab-Israeli struggle and of the nature and dimensions of the settlement.

In attempting to analyze the positive and negative effects of peace on Egyptian society, it may be said that peace enabled Egypt to regain its control over the Sinai Peninsula. This makes it imperative that Egypt play its national role to raise the standard of living of the people of Sinai, to establish services for them, to restore ties between the tribes of Sinai and the Nile Valley and to compensate the people of Sinai for everything they had lost in the past period. The proper method for approaching the restoration of social relations is to be determined, and the importance of increasing population density and residential communities towards the northeast [is to be addressed]. Forms of transportation and cultural progress are also to be established.

The Egyptians' deep sense of the cultural challenge Israel presents and the free competition Egyptians have will heighten the spirit of excellence and improve performance. This will depend on the psychological characteristics of the Egyptian people as illustrated in their ability to be innovative, in their sense of dignity and pride, in their strong powers of observation, in their ability to aspire to perfection and in their sense of self-esteem.

The cultural mix between Egypt and Israel--and this is what usually happens when societies with different cultures get together--will cause each culture to affect the other without either losing its main components and its original appearance. Nor will either merge fully with the other. This is reminiscent of what happened between the Arabs and the Spaniards on the island of Iberia more than 1,000 years ago.

In addition to this, peace will provide Egypt with tremendous capabilities for solving its accumulated domestic problems. Efforts and capabilities will be devoted to increasing economic development and remedying past periods of recession and the inflation that resulted therefrom from which Egypt is now suffering. This has affected Egyptian society as a whole. Under peace it will be possible for Egypt to benefit from the abilities and experiences of the armed forces who will be engaged in solving domestic problems in construction, food security projects, telecommunications and vocational training. In addition, peace will provide an opportunity for increasing Egypt's interest in questions of production, spending, distribution and management. Neglect in the administrative agency will be remedied; an effort will be made to realize more democracy; the system of organizations will be expanded; human rights will be protected; doors will be opened to the intellectual heritage of the world; the Egyptian notion of culture will be

promoted; and the role of the press and the media will be firmly established in Egypt's transition from a state of war to one of peace. This will strengthen Egypt's leadership role in setting out toward development prospects. In addition to the given factors of peace, [an effort will be made] to strengthen social ties, to increase confidence, and to support the morale and feelings of the people. The rates of crime and corruption will decline.

Some signs of apprehension, however, appear on the other side. The clearest of these may be the result of that experience which we can still recall. This was the period when there were Jews in Egypt before the state of Israel was created. Those fears were expressed by Benjamin Franklin in 1789 when he said, "Wherever Jews settle, moral standards and commercial honor decline. The Jews have always lived in isolation, not becoming a part of any nation. Motivated by a sense that they are being persecuted, they are compelled to put an economic stranglehold on a nation. This was what happened in Spain and Portugal. If the United States does not keep them out of its constitution, we will see that in less than 100 years they will penetrate this country, and they will control it and destroy it and change the system of government for which we shed our blood."

With Franklin's prediction about the Jews and their role in American life becoming true, the fear in our hearts remains dependent upon the outcome of relations between the two peoples.

Despite the presence of something close to a consensus in Egyptian society about the directions for peace and the desire to utilize it and develop it, especially in light of what the majority of social groups suffered as a result of the continued wars with Israel, there are nevertheless some factions that still refuse to deal with Israel. They avoid having contact with Israelis either because of ideological beliefs or psychological beliefs.

Peace has produced in Egypt a sense of isolation from the Arab world. It may be that the lack of prior preparations for peace, on both the official and popular levels, was what increased Arab opposition to the peace. This affected Egypt's role and its effectiveness in the area. For Egypt's international clout is based not only on its domestic sources of power, but it is also based on its leadership role in the Arab region and the solidarity which most countries of the area [feel they have] with Egypt. If one of the factors of the stunning success that Egypt achieved in the October War lay in the creation of unified Arab solidarity, Egypt will then have to maintain an ongoing dialogue with all parts of the Arab world to keep this Arab power from falling apart and the world from beginning to deal with Arab countries as separate countries, alliances, communities and factions.

Israeli Society between War and Peace

Opinions differed, and they still do, about the effect of war and peace on Israeli society. These conflicting opinions may be summarized in two basic points of view.

The first point of view thinks that war or a state of war presents an ideal climate in which Israel can exist and flourish. This is because war or a state of war attracts young immigrants who can fight and causes Jews of the world to sympathize with Israel. War also increases the flow of aid and grants. Thus, Israel's life depends on the war.

There is another point of view which runs counter to this one. That point of view is that peace provides Israeli society with an ideal climate in which Israel can exist and prosper. This point of view is based on numerous indicators that are derived from Israeli reality during periods of peace and periods of war. This is because the statement that when people emigrate, they do so so they can settle in a secure place is a statement that applies to Jews as much as it applies to other people. Accordingly, a "peaceful Israel" will in the long run attract more immigrants, especially families who are more likely to settle down, to build and to become established. It is also peace that in the long run can lead to further sympathy and Jewish cohesiveness with Israel, "the Jewish homeland." Peace would actually provide an increased flow of investment capital into the Israeli community. It would give the Ashkenazi leadership of Israel a greater opportunity to make quiet and deliberate plans for blending together the Israeli settlers with their various cultural origins.

War is the real means by which the contradictions of Israeli society can be exposed and exacerbated. It is the means for stopping immigration into Israel; for stopping the flow of capital into Israel; and for putting an end to the myth of "Israel, the Jewish homeland." The summary of what is perceived by this point of view is that this war is tantamount to a death [sentence] for Israeli society, whereas the life and prosperity of this state depends upon its having a climate of a quiet and stable peace.

Israel between the Positive Attributes and Drawbacks of Peace

If peace will increase immigration rates to Israel, that is something Israel considers is a national necessity to ensure its growth and the survival of its Israeli identity. [This has become even more necessary] after the non-productive (administrative and service) sectors grew and the productive sectors (agriculture and industry) shrunk. In addition, immigration and drop-out rates are declining--Soviet Jews have been immigrating to western countries and refusing to go to Israel. Peace will achieve stability and social security for Israel, and the fear and relative suspicions that have been with Israeli society for the past 30 years will be removed. Israel will be able to learn about its neighbors and their culture, and the Arabs too will be able to get to know Jewish culture. This will put an end to Israel's international isolation. Israel will gain the support of the Jews of the world, especially U.S. Jews, and it will be able to restore relations with the countries of the African continent.

On the other hand, peace may make it possible for Israel to blend in or merge with the communities around it. All prevailing beliefs about the Arabs may be shattered, and all the theories [the Israelis] had established for themselves according to these beliefs [would also be shattered].

Although about 65 percent of the Israeli people have agreed to give up Israeli settlements for peace, [that decision] has had the worst effect on the residents of those settlements. The Israeli government had to compensate those people financially. The compensation paid to the settlers of Yamit after their evacuation from that settlement in April 1982 amounted to about 2 million dollars. There is, nevertheless, a large sector of rejectionists and religious people who were opposed to giving up the Promised Land. The Gush Emunim, the extremist religious group, announced that it would pay no attention to the peace agreement. This led Israel's chief rabbi of the eastern sects to state that Jewish law

permitted returning the land to "foreigners" if this would prevent war and bring about peace.

The "foreigners" intended here are we, the Arabs, since the Israelis have set their sights on the Promised Land. However, the secretary general of the kibbutzim announced that giving up the settlements in the context of a peace treaty is considered an Israeli concession and a major mistake.

Although the peace treaty has been signed, Israelis have not changed their minds about the fact that Arabs are trying to destroy and do away with their country. The vast majority of Israelis believe in the justice of the Zionist dream. Perhaps the words of Menahem Begin affirm this. Mr Begin had said, "We are a people who have been persecuted throughout the ages of history. We remember the suffering that was inflicted upon us by the Nazis, and we must try very hard to see to it that this is never again repeated. We should always be strong even when we extend our hand in peace."

This reflects a feeling that there is no security and there is excessive fear that withdrawing from any occupied land will ultimately mean that the Arabs would be getting closer to the Israelis. Even a few meters closer would increase the threats to the Israelis.

Some Jewish communities feel that Israel is risking its existence as it gives up the air bases, the naval bases and the strategic depth of its settlements. What helped Israel absorb the shock of 1973 without surrendering was that an evacuation from Sinai would precede evacuation from any other territory. Also when Israel returns all of the Egyptian desert, it would thereby create a precedent in the sense that other Arabs negotiating for peace will accept only the same conditions, which are illustrated in returning the West Bank, the Gaza Strip and Jerusalem and granting Palestinians the right of self-determination. Turning over Sinai was only the starting point for weakening Israel further and taking it back to the borders of the 1947 Palestine Partition Plan.

If Israeli society despite all its conflicts has been able to maintain its cohesiveness and its relative balance, it has done so because of the presence of a clear, political ideology that most members of the society believe in: the Zionist ideology. In addition, there is a sense of danger which is produced by memories of the persecution inflicted upon Jews in Europe and irresponsible statements made by some Arab leaders. However, this feeling comprised emotional aspects and propaganda which Israeli political leaders used well as one of the important complementary functions of forging Israeli society. A peaceful settlement will weaken this cohesiveness, and this will allow social and political conflicts to emerge on the surface of Israeli society.

The Israeli struggle against Arab countries plays a very important role for the Zionist entity that is colonizing the area. It plays a domestic role among Jewish communities, preparing them for the policies of military and political mobilization, and it plays a role in its relations with the Jews in the diaspora in various parts of the world. The Arab-Israeli struggle is bringing about the integration of Israel and the Jews of various communities. The more intense this struggle becomes, the more the Jews sympathize with Israel and the more their political and financial support increases. The less intense that struggle becomes, the less that support.

Thus the relationship of present Israeli society with the Jews in the diaspora proceeds on a firm strategic course in Israel's Zionist ideology.

There are possibilities that the national feelings of Arab minorities in Israel will grow as a result of their growing awareness and their contacts with the Palestinian public on the West Bank and in the Gaza Strip. The Palestinians [in these areas] are characterized by their mature awareness and by their historical and cultural steadfastness. If we were to add to this the fact that their numbers are continuing to increase--they are expected to make up 23 percent of the population--[we will realize that] this will complicate relations between the Arabs and Israel because of the growing feelings these people will have about their Arab and national affiliation, especially if a solution to the Palestinian problem becomes complicated.

8592

CSO: 4504/461

TUDEH SUPPORT OF KHOMEYNI SPLINTERING LEFT

London IRAN PRESS SERVICE in English No 89, 16 Sep 82 pp 7-8

[Text] The Tudeh party's virtually unqualified support of the Khomeyni regime in Iran has proved a tactical blunder that has damaged the leftist cause in general in the country, a study by a group of Iranian intellectuals says in a report on Tudeh's role since the revolution.

The rift created in the ranks of the Fedayeen-e-Khalq and the crackdown on the Mojahedin are seen as partly the responsibility of Tudeh's natural allies, the study groups says. Now the Tudeh is seen as poised to devour any other leftist movements and thus bring them into the Soviet orbit.

After the revolution, the group says, Iranian leftists felt they could form a political organisation with true leftist goals and aspirations in line with Iran's own traditions and conditions. In other words, Iranians who had accepted Marxist-Leninist principles while in the West hoped they could form a movement like that in Italy or in Poland under Gomulka which could choose its own independent path to socialism. But Tudeh's policy has given it the power to absorb other leftists in Iran and its unbreakable ties with Moscow mean that any organisation of the left in Iran must from now on be an instrument of Soviet policy, the group insists.

It now seems clear to Iranian leftists that the Soviet Union is motivated by a desire to react in the short term to United States' policy objectives rather than the long-term interests of the proletariat in Iran. That is why it orders Tudeh to cooperate with Khomeyni--even though there have been signs of a desire among Tudeh rank and file to dissociate themselves from some actions like the carrying of the war into Iraq and the continued bloodletting.

"Many Iranian leftists, while well aware that Tudeh was a Moscow-oriented party, could never have foreseen the extent of its docility in the face of Soviet pressures," the group says. "Nor did these leftists believe that the Soviets would themselves be so cynical as to use a communist party in Iran completely for its own purposes in such a flagrant manner." Tudeh's own "explanations" for its policies were entirely unconvincing.

The result was that other leftist groups no longer wanted to work with Tudeh and had to pursue an open anti-Soviet line. The fact they had turned against the Khomeyni regime after originally giving it their support meant they had

to convince the people in Iran that they are a genuine alternative. But the leftist movement opposed to Tudeh was in effect under the tutelage of the Mojahedin movement, whose ideological principles were "distorted and unscientific."

The group also criticises the vociferous support Tudeh gave to the seizure of the American embassy and the hostages in Tehran. The seizure had the effect not only of eliminating any American presence in Iran, but Tudeh's support for it forced the Mojahedin and other leftist groups to support what was in effect more a cheap political stunt rather than a genuine move against imperialism. This had the consequence of weakening what had up to that time been a genuine anti-imperialist movement in Iran.

After the fall of Bazargan and the end of the progressive movement that was part of the revolution Khomeyni effectively created an Islamic theocracy that had nothing to do with a Marxist society. Yet Tudeh went along with its Islamisation programmes. This meant it was seriously compromising its basic ideological principles merely to try to ensure its place on the Iranian political scene and as others now saw it, to serve the global interests of Soviet policy.

The result of Tudeh's policy, together with the muddled ideology of the Mojahedin and other groups, has meant the left is now seen as a threat by the general mass of Iranian nationalists rather than their allies against the Khomeyni regime, the study group points out. A resurgence of true Iranian nationalism will thus inevitably mean the left being elbowed aside once more.

CSO: 4600/1

IRANIANS FEAR 'NOBODY AROUND TO REPLACE MULLAHS'

London IRAN PRESS SERVICE in English No 89, 16 Sep 82 pp 1-2

[Text] With the mullahs and their lay officials spluttering excuses and mild threats in a noticeably subdued manner there was growing awareness in Iran this week that a power vacuum was opening up in Tehran.

The failure to be able to alleviate the continued shortage of food and goods as the winter loomed ahead, the continued killings of guards and mullahs in spite of the vengeance already wreaked on their opponents in the past year, renewed explosions in the streets of the larger cities--all these signs that the regime was still unable to claim it had the country under its control were giving cause for worry to those with the regime's future as one of their first concerns.

There are numerous signs that the mullahs may be at their wits end to know how to resolve the countless problems, ranging from where to find the cash to stay in business to how to get the student population back to some form of studies again, which now beset them. The public is in a more resentful mood than at any time since the revolution, say visitors from Tehran in Europe, and there is undoubtedly widespread discontent with the way things are going among even the poorer sections of the population.

"Tragically, one cannot see any source of succour for the hapless Iranian people," one former professional Tehrani told IPS. "Even if the mullahs don't know where to turn, equally we don't know from where there can come any power that can take their place. Not from among the army, the police or even any other section of the clergy these radicals do we see any move coming to save us from the present stagnation."

The wild claims about oil exports and the continued pretence that all in the Islamic Persian garden is wonderful were no longer very convincing to the Iranian public. The widespread scepticism about the country having the hard currency reserves it claimed was accompanied by disbelief that the supply situation should remain so hopelessly inadequate. The lack of activity on the warfront had also continued to activate rumours that all was not well there.

Added to this was the unnerving effect of the bomb explosions that have interrupted life in some central Tehran areas during the past two weeks. The toll of dead and badly injured has continued to rise and the inability of the

authorities to find the perpetrators of these outrages is weakening the faith of the regime's less ardent supporters in its ability to keep the country much longer from threatening chaos. There were again some horrendous injuries in the latest blast in Tehran's 24 Esfand, now known as Enghelab Square. People reported that the public was once again listening to foreign radio broadcasts for news rather than Tehran radio, which has itself been less outspoken than usual lately.

"For the first time there is a general feeling of hopelessness among everyone who had been hoping for some miracle to bring life back to something akin to normal," a recent arrival from Tehran told IPS. "There are no longer any illusions that Iranians abroad are capable or have the will to do anything really serious to help. All that is left is a desperate hope that somebody somewhere in the armed forces or some tribal figure whose potential has not been appreciated can mount something that will show up the mullahs' regime as just a house of cards that can be toppled by a whiff of wind."

Other recent arrivals say there has been plenty of evidence recently that the main body of the revolutionary guards, as distinct from those who threw themselves so prodigally onto Iraqi guns, are nothing like the efficient organisation they have managed to delude the public abroad into believing. "Iranians believe what they want to believe and just as in the Shah's day they wanted to believe the Savak was all powerful so they shouldn't hurt their commercial interests by rocking the boat so they today use the threat of the guards and a few ruthless mullahs as the excuse for doing and saying nothing once more," one man said. "The guards don't come out very well when they meet some determined opposition and frequently make a run for it when they do."

Many people inside Iran believe the exiles keep the image of the guards high as an excuse for themselves making no effort to intervene inside the country. "There are some few courageous men who go back and forth into Iran all the time, one man who was recently smuggled out of Iran told IPS. "But the hundreds of thousands of able-bodied former military and other Iranians living in the West find any excuse to avoid even trying to help an organisation in the safety of London or Paris. As for them going like so many nationalities have done to fight against the enemy at home--I have found out since I got here that that's as likely as snow in Tehran in June."

In the provincial areas of Iran, however, the informant said there were plenty of men ready and willing to fight if they could get arms. They have already shown they can handle the guards with ease when they are able and say that guns and bullets are all they need to take control of vast areas and work to unite with others. Only the young people were prepared to fight in the cities and the guards, who were not happy about leaving the larger centres of population themselves, were concentrated there to fight them. "But if someone does gain the upper hand in Tehran one of these days he could have the country behind him and against the mullahs within a very short space of time. All he's got to do is survive just long enough to let the people think he will be staying there and it'll be all over for the mullahs, Khomeyni and all," IPS was told. "Khomeyni is another who will go 'phut' like a candle flame in a wind once he's been shown up as the paper tiger he is."

Another point made by visitors from Iran is that inside the country people are more appreciative now of the advantages they lost because of the revolution than are those outside the country. For those left behind the contrast between conditions now and prior to the revolution is obvious every day, and a big proportion of them are willing to say so, one man said. But the exiles merely talked about the money they had lost, not the country, he added; if they could go home and get their money out they would never think of Iran again he felt.

"But things are now getting so demoralising in Iran that anything could be possible one of these days," the visitor said. "Desperation may at last conquer fear."

CSO: 4600/1

OIL INDUSTRY SEEN SERIOUSLY HURT BY GULF WAR

Paris LE NOUVEL ECONOMISTE in French No 350, 23 Aug 82 pp 26-27

[Article by Nirou Eftehari: "The Economy Is Collapsing"]

[Text] The Ramadan offensive launched on 13 July by the Iranian forces on Iraqi territory has bogged down. In reprisal, Iraqi President Saddam Husayn is threatening to "blockade" the ports in the northern Persian Gulf, from which Iranian oil shipments depart. Already, two freighters were sunk last week by Iraqi planes, which also attacked the Kharg Island oil terminal, the main outlet for Iranian crude. After 2 years of war in which 40 percent of Iranian industry has been destroyed, this is an additional blow to an economic situation that has constantly worsened during the last 3 years. The extent of the crisis is causing even supporters of the Islamic Government to ask themselves about its survival prospects. Imports increased in value by 6 percent in 1980-1981, after a drop of 6.5 percent the previous year, but in 1981-1982 showed a precipitous increase of 57.5 percent. The share of nonpetroleum exports fell in the same period to 2.16 percent of the total, compared to 5.2 percent in 1978-1979. We have no precise figures on oil exports, but it is generally estimated that Iran exports about 2 million barrels a day, and at prices considerably below the level set by OPEC. Oil's share of the state's revenues, which was 71 percent in 1979-1980, has now reached 80 percent.

Although basic necessity products have been rationed since the beginning of the Iranian-Iraqi war, imports continue to grow. Most of these imports are current consumption items. Purchases of food supplies consumed \$6 billion, or more than 50 percent of imports, in 1980-1981. Wheat imports increased from 1.3 million tons in 1975 to 2 million tons in 1980-1981. Imports of capital goods, however, have seriously declined in the past 3 years. One figure which reflects the decline in industrial activity and the collapse of the economy: Iran's growth rate remains clearly negative and the country now has 4 million unemployed, or 35 percent of the working population. There is no major investment in the private sector which could absorb part of these unemployed. The situation in the public sector is worsening in the absence of any economic planning and with the refusal of qualified officials to cooperate with the regime.

The drop in national production is causing galloping inflation, which is officially announced as 30 percent a year. This figure, calculated on the basis of rationed items, is in fact lower than the real inflation. Also, oil earnings are proving insufficient to meet the import bill. Having gone considerably into debt (this external debt is about \$8 billion), Iran is now digging into its gold and exchange reserves. From \$14 billion at the beginning of the revolution, they are now no more than \$1 billion. This is a meager treasury with which to deal with the needs of a people ruined by revolution and the war, which has already produced 2 million refugees displaced by the Iranian-Iraqi fighting, and almost as many Afghan exiles fleeing from the Soviet troops in operation in their country. Many of these uprooted people have reached the suburbs of the capital, Teheran, whose population has increased by 1.5 million since September 1980. In order to overcome these difficulties, the regime has become even tougher: 40,000 political prisoners languish in the jails, and 6,000 people have been executed in 1 year.

9920

CSO: 4619/127

ISRAEL

NEW METHOD SEEKS TO EXPORT SOLAR ENERGY PROJECT DESIGN

Tel Aviv MA'ARIV in Hebrew 16 Jul 82 p 28

[Article by Avraham Peleg: "Solar Tower At Weitzman Institute"]

[Text] In the future, the ancient landscape of the Negev will take on forms taken from science fiction films. The edges of wadis and the slopes of hills and other areas baked by the sun overhead will be covered here and there by bright mirrors surrounding towers. New travelers in these fantastic landscapes will see a new and revolutionary technology which seeks to harness the heat of the sun for the benefit of man.

The first sign of this new technology will be seen at the Weitzman Institute of Science at Rehoboth. Not far from the great particle accelerator, there will arise in the near future a giant new architecture--a solar tower 50 meters high which will stand in a field of mirrors stretching over 2500 square meters. Each of the 56 mirrors will have a surface area of seven by eight meters, and will focus the heat of the sun on a central absorber at the top of the solar tower.

The design of this project will take more than a year, and then construction of the apparatus will begin. When this project is completed, it will take its place in the Rehoboth landscape of orchards, trees, and gardens, as a new item called a heliostat.

The Weitzman Institute scientists who are designing the large project note that it constitutes a research stage in the development of a modern technology which will create new possibilities for the production of energy, not only at the institute and not only in Israel, but for the whole world.

We should note at the outset that the principle of solar towers has already been recognized for years, and has already been experimentally applied in several countries. A solar tower is operating in the U.S., and supplies 5 megawatts of electricity; in France there is a 1 megawatt device; in Spain--a half megawatt; in Japan two such devices, each producing 1 megawatt. There are also in the stage of completion a 10 megawatt project in the U.S.; a 2 megawatt project in France; and a 1 megawatt project in Spain.

But, all of the solar towers which exist or are being built in the world are based on the conversion of solar to electrical energy. The project of the Weitzman Institute will be different and unique in many ways--size, multiplicity of purpose, and most importantly--it will be the only one in the world which will not produce electrical energy but rather chemical energy which can be transported over great distances. This revolutionary approach will enable not only the transmission of energy from the Negev to anywhere in Israel, but also contains many possibilities for the world energy market. Prof Yisrael Dostrovski, who heads the project, notes that if the project is realized, it will be possible to transport enormous amounts of energy from the Sahara desert to Europe, and from other deserts in hot countries to cooler countries.

Prof Yisrael Dostrovski, who is the past head of the Israel Atomic Energy Committee, the president of the Weitzman Institute, and the Chief Scientist of the Defense Ministry, now heads the Center for Energy of the Weitzman Institute, where he oversees research and development of new energy technologies. He says: "Both in Israel and abroad, there is a desire to more deeply exploit the energy of the sun, but let us examine for what the new energy sources are destined. Essentially for electricity. But the truth is that a developed and industrialized country, such as Israel, devotes only a third of its energy to electricity. The other two-thirds are diverted to transport, industry, and household needs. Nevertheless, most efforts today are directed towards production of additional electricity. Oil, coal, the atom, and even photovoltaic cells are devoted to the production of electricity. Now in Israel we are developing solar ponds. This is a positive goal, but they will produce only electricity. In the world today, about 90 percent of investment is devoted to research and development whose goal is the production of more electricity. But the absurdity is that all of this will not solve the other varied needs of energy."

Prof Dostrovski recently participated in a scientific meeting in Germany where he raised the above claims. At the end of his lecture he was approached by a scientist who said: "You are right. How could we not think of that?" The scientist from the Weitzman Institute said: "Obviously this is no great discovery. This truth has been known, but the fact is that we have preferred the path of least resistance. It is easier to produce more electricity than to produce industrial energy at high temperatures. This is what we want to do at the Weitzman Institute."

Heat at low temperatures is already produced from the sun. An example is the solar water heater in which Israel is outstanding but it only has household application. Professor Dostrovski would like to produce from the sun heat at high temperatures for industrial processes which today are based principally on oil and electricity. In order to achieve such high temperatures from the sun, it is necessary to concentrate its heat. The appropriate technology for this is the solar tower surrounded by a field of mirrors. Professor Dostrovski views the solar tower to be constructed at the Weitzman Institute as a national project.

The method of the central absorber is based upon a field of many mirrors which follow the movement of the sun in relation to the earth, and are called heliostats. The mirrors reflect the rays of the sun which strike them, and direct those rays to a focus, located at the top of a tower over the field of heliostats. Each mirror can reflect the rays of the sun without obstruction, to the top of the tower.

The mirrors move on axes which enable them to track the movement of the sun. Since the sun moves all the time (in relation to the earth), the view of the mirror must be adjusted every 4 seconds.

Until a few years ago, scientists felt that the mirrors should track the sun by means of mechanical devices which complicated the technology and made it more expensive. Prof Dostrovski explains that the development of computers effected a revolution in this area. There is no need for an absolute tracking of the sun. Computers enable the rapid and precise calculation of the location of the sun at every second of the day, for days of the year and several years in advance. Thus, the movement of the mirrors can be designed for several years at a time. In other words, instead of using expensive and complicated tracking devices, we can use computer programs which simplify and reduce the cost of the operation.

In order to produce a kilowatt of electricity, one needs a mirror with a surface of 1 meter. In other words, in order to produce a megawatt of energy, one needs a field of mirrors covering an area of 1000 square meters. The Weitzman Institute project will produce about three megawatts of energy.

For purposes of comparison, we may note that the field of heliostats in the U.S. contains 1800 mirrors and covers 330 dunams. This field could produce 10 megawatts.

The laws of optics dictate the height of the central absorber. The larger the field, the higher must be the tower, so that one mirror will not block the reflection of the other. The central absorber at the Weitzman Institute will be 50 meters high.

On top of the tower is set a kind of boiler, filled with water, molten salt, or sodium. In the case of water, it is converted to steam by the heat, and the steam runs turbines which produce electricity. In the case of molten salt or sodium--these substances heat water to steam, and the above described process occurs. By use of mirrors, one can focus on the central absorber heat of very high temperatures. At the Weitzman Institute project the heat will be at least 600 degrees.

All of the absorbers in the world are set on towers. One of the innovations at the Weitzman Institute will be that the central absorber will be composed of three focii which will be set atop a building that will contain service equipment and laboratories which will permit on site testing.

But the principal innovation of the Weitzman Institute project is in the form of the energy which will be produced by the solar tower. All other towers

in the world produce only electricity. The Weitzman Institute tower will produce chemical energy at very high temperatures, which will be transported in gaseous form in pipes over long distances. These two features will make the Weitzman Institute solar tower the first of its kind in the world.

Professor Dostrovski explains: "The concentrated reflection of the mirrors enables the production of energy at high temperatures. If we convert it to chemical energy, it is possible to move it over long distances. It is true that both electricity and steam can be moved over distances, but they both suffer a deficit as a result of the transport, while the type of energy we are planning can be efficiently transported. This energy will be a gas of hydrogen and carbon dioxide. The gas will be created by means of the heat of our tower. This gas, which is stable and will be cooled to the temperature of the environment, can be pushed in pipes for distances of hundreds and thousands of kilometers. At the exit station, the gas will be put into an accelerator and by a chemical process (the reverse from the first process), it will release the heat held in it. In fact, this will be a chemical heat pipeline which will enable the transport of energy from Africa to Europe and even greater distances.

The three absorbers at the top of the structure at Weitzman Institute--each one a square meter in size--will serve three purposes. The lower one will produce steam, which is usual for the existing solar towers. The second will produce chemical heat. And the third will be for research in high intensity light. The last will involve research in photochemical processes. Professor Dostrovski is not ready to give details regarding this area which will result in a further revolution in the technology of solar towers.

Positive results from tests to be conducted at the institute will lead to the construction of 14 solar towers in various places in Israel. Professor Dostrovski believes that the solar towers will compete with the solar ponds upon which we also place great hopes. He believes that it will be possible to build fields of mirrors principally in the Negev, which is especially appropriate for this. It will be possible in this region to use the energy at the site, or to transmit it to the northern parts of the country.

7075

CSO: 4423/197

ISRAEL

SEMICONDUCTOR INDUSTRY MANPOWER

Tel Aviv DAVAR in Hebrew 26 Jul 82 p 11

[Article by Ze'ev Strominski: "Thousands of Experts Will Be Needed in Semiconductor Industry"]

[Text] By the end of the 1980's thousands of jobs will be created in Israel in the design and production of semiconductors. This is the estimate of Rafael Benvenishti, director general of the Investment Authority. In a conversation with a reporter from DAVAR, Benvenishti noted that a very high percentage of those employed will be engineers and technicians.

Benvenishti noted that Israel is linked with three of four providers of silicon chips in the world: Motorola, Intel, and National Semiconductors. Intel's center for designing silicon chips in Haifa supplies research and development for five to ten percent of the world production of silicon chips of the company. The production center which Intel is building in Jerusalem will be in operation by 1984, and at full production will employ 1000 workers. The investment in the Jerusalem operation will amount to \$120 million.

The first microprocessor of National Semiconductor, which was recently put on the market in America, was developed at the company's development center in Herzliya. National is also planning the building of a production facility at Migdal-Ha'emeq, but the program has been put on hold pending the recovery of the world market, which is now undergoing a low ebb.

Motorola is continuing the creation of a production facility for silicon chips in Israel, and recently a delegation from the company in the U.S. visited Israel.

An additional facility for silicon chips is in the process of planning, and will be a production facility for custom made chips. The company is a venture by four Israeli entrepreneurs, and will be a partnership with the Alron Co.

Benvenishti noted that the minimum investment in a production facility for silicon chips is about \$100 million. Facilities of this type require manpower of the highest level. Because of the need for maximum precision in the production process, there is a tendency to man even lower level tasks with engineers. Also quality control imposes great demands for a highly educated work force.

7075

CSO: 4423

ISRAEL

BRIEFS

VENEZUELAN MILITARY PURCHASES--Venezuela intends to purchase 25 rocket launching systems from Israel at a cost of 83.7 million dollars, it was reported yesterday in the Venezuelan press. Negotiation of this arms sale is presently being conducted between the Israeli Military Industry and the Venezuelan army, according to the respected newspaper EL DIARIO DE CARACAS, which attributed the report to anonymous sources, but "very reliable." Col Dado Shiloh, the military attache at the Israeli embassy in Caracas, refused to respond to this report, as did officials in the Venezuelan Defense Ministry. Venezuela is involved in disputes with its eastern neighbor, Guyana, and its western neighbor, Columbia, and with Trinidad. In March 1979, with the rise to power of President Luis Herrera Campines, Venezuela began a military buildup. [Text] [Tel Aviv MA'ARIV in Hebrew 16 July 82 p 2] 7075

POSITION IN EMERALD MARKET--Producers of precious stones in Israel have succeeded in recent years in "taking control" of the world market for emeralds, and today they are marketing about 50 percent of world demand for these stones. There are operating in Israel today 15 stone polishing shops for emeralds, employing 1000 workers. Most of the polishing in these shops is done with advanced mechanical equipment, some of which has been developed in Israel, and it enables production of exceptional quality. Recently the precious stones bourse at Ramat Gan entered into negotiations regarding entry into a partnership in a large emerald mine in one of the African countries. This is being considered so as to reduce dependence upon sources which may be cut off because of political events. The mine is located in African country which does not maintain relations with Israel, and its emeralds are considered to have a high reputation in the world market for precious stones. The ownership of the mine is in the hands of the government of that country, and it owns 55 percent of the shares. A large producer from India owns 15 percent, and a large producer from South America owns an additional 15 percent. It is proposed that the Israeli producers buy the remaining 15 percent of the shares. The supply of stones from the mine is in accordance with the percentage of ownership. [Text] [Tel Aviv YEDI'OT AHARONOT in Hebrew 1 Aug 82 p 17]

CSO: 4423/197

ENTERTAINMENT CITY NEARS COMPLETION

Kuwait ARAB OIL in English No 9, Sep 82 p 33

[Text]

IT'S a lot easier to build a skyscraper than to build Entertainment City," said Gianfranco Longhini, Project Manager of the ambitious recreation complex that has sprung up in the Doha area of Kuwait.

A look around the bustling construction site soon proves the accuracy of that statement. For the city, divided into six separate but inter-connecting regions of recreational facilities, consists of over 90 individual buildings and structures, each involving a totally different approach in design and construction.

A joint venture between Kuwaiti firm, International Contractors Group ICG, and Castelli of Italy, the spectacular complex covers an area of one square kilometer, and when completed, will offer a unique spectrum of entertainment for Kuwait.

Commissioned by the Ministry of Public Works, the 64.8 million dollar complex, designed by VTN of the US, got underway in February 1979, and has since grown into one of the most ambitious and impressive projects ever undertaken in the country.

The city, which has rather unfairly been compared to America's Disneyland, actually bears no more than a passing resemblance to that famous landmark, according to John Shanks, Entertainment City's Sub-Contractor and Finishings Manager. Its six areas each concentrate on an individual theme: the International World, Future World, Arab World, Regional Park, Entrance Area, and a comprehensive maintenance section. The sectors are connected by walkways, pedestrian bridges, and Kuwait's first railway line, running for two kilometers.

International World focuses on recreations of a number of worldwide themes. This region includes an accurate reproduction of a wild-west town, complete with barber shop, rifle range, an old-styled dental surgery, and a saloon bar which will serve soft drinks. One of the most impressive buildings in International World is an intricately designed Japanese pagoda, one of the city's four main restaurants, surrounded by a water-filled moat. ICG have used a range of specially manufactured Japanese roofing tiles in its construction, which involved workers undergoing special training in the art of oriental tiling.

Game park

The section also features a number of rides, including a river boat trip through an African game park, where incredibly lifelike, full-sized fibreglass elephants, lions and rhinos, with moving bodies, dot a grassy plain.

Vast quantities of laminated and heat-reflective glass from the USA and Saudi Arabia have been used in the construction of Future World, said Shanks. As the name suggests, this region has been designed to space-age specifications, featuring multi-domed futuristic structures, housing a multitude of games and rides, such as bumper cars and a spinning 'Atom Smasher.' A tall, slender space needle, around which will climb a glass-panelled observation lift, dominates the area, which also boasts a planetarium, a cinema, a gleaming polished-steel restaurant, and the city's onion-shaped, half-a-million gallon capacity watertower.

The third area, the Arab world, has been constructed with a Middle Eastern flavor, and includes replicas of the old Kuwait city gates, a miniature model of Failaka Island, and full-sized dhows, providing Arabic-style

rides over a specially built lake.

A stunningly beautiful eastern palace, again includes specially made Spanish tiles decorated with passages from the Koran, and houses a miniature dark-ride, which passes through a number of rooms and corridors, past fibreglass working models of legendary creatures, Indian elephants and a gigantic whale, representing the tales of Sinbad the Sailor.

Arab world also includes carousels, rides, fountains and a restaurant, and according to Shanks, will eventually feature a children's zoo, complete with lambs, goats and camels.

The fourth area, the regional park, features a miniature golf course and snack bar situated on shady, tree-lined lawns. In a country with such harsh climatic conditions how has ICG overcome the problem of maintaining these large areas of grass and shrubs, and protecting them from the heat of the sun? "We have used underground irrigation methods in many areas of the city," Shanks explained, "But we are also going to lay a synthetic grass known as Astroturf, which is hard-wearing and resistant to the sun."

Entertainment City has been designed and built according to strict US safety standards, which will be maintained by the government-run Touristic Enterprises when the complex is officially opened next year. According to Shanks and Longhini, the city, which has parking facilities for around 3,000 vehicles, is scheduled for completion within two months. The entire complex will be supported by a comprehensive network of maintenance and security systems, and will have its own fire station. Every major building includes water sprinkler fire fighting devices, and is fully air

conditioned throughout.

The complex will also feature its own resident veterinary surgeon to provide medical facilities for the zoo animals.

The contractor has over 1,000 construction workers, representing a wide range of nationalities, on the Entertainment City project, many of whom live on site and are provided with a number of facilities, such as shops, canteens and a team of medical staff headed by a lady doctor.

The two companies have also joined forces in construction contracts for Kuwait Military's Sixth Brigade, and the Assafar motorway scheme.

Contracts

Other projects currently being carried out by ICG, include the massive Kuwait Waterfront plan, which aims to transform part of the city's shoreline into a modern recreational haven. In association with Yugoslavian firm PIM, ICG is presently engaged in onshore construction, including service facilities and restaurants.

ICG is also building a new complex for the Getty Oil Company, supervising the Al-Khiran coastal development project, constructing new laboratories for the Kuwait Institute for Scientific Research, and building a new headquarters for the Iraqi Embassy in Kuwait.

The company has a number of contracts in the Gulf region, including sewerage and water projects in Iraq, and the construction of a football stadium and show-jumping arena in Saudi Arabia, under the King Abdul Aziz Military Academy, KAMA, plan. The company has area offices in Saudi Arabia and Iraq

KUWAITI-BAHRAINI COMPANY EXPECTS \$135M PROFIT

Kuwait ARAB OIL in English No 9, Sep 82 p 40

[Text]

The newly formed Bahraini Kuwaiti Investment Group expects to make around 135 million dollars profit this year, virtually all from share dealings, said a report in the Khaleej Times last month.

The company was awarded an exempt company licence earlier this year and has a paid up capital of 165 million dollars.

It has yet to open offices in Bahrain, but space is now being prepared in Hedaya House, opposite the government house.

The paper quoted the General Manager, Abdul Aziz Ahmed, as saying, "we started operations in Kuwait during May. Most of our activity has been in the stock market in Kuwait. The checks we hold in our hands give us around 135 million dollars profit by the end of this year and I am confident in the state of the market."

Real eState

"Our office in Bahrain should open during this month or next and we have started looking for staff. We would like a Bahraini to be the manager if possible. We would be looking for investment in real estate and stocks and

we will be taking the lead in organising a stock market in Bahrain. Share prizes have been falling in the Kuwait market but there are still good profits to be made. Our own shares started at 100 Bahraini fils (30 cents) when we first issued them and they now stand at about 400 fils (1.20 dollars)," he said.

He added, "the board of directors decided to start by making a rapid profit this year. Next year we will take part of this profit and part of the capital and invest in real estate for the longer term."

Last month the group received a 200 million dollar syndicated loan, the largest ever arranged in Bahrain for a private-sector borrower.

"That is mostly being used at present for the stock market," he said. "We are following the areas which are making most profits and shares are making the most now. Starting from next year we will make different investments, we do not want to put all our money into one basket. We will be investing in Kuwait and Bahrain and will also invest internationally."

CSO: 4400/498

NONOIL EXPORTS INCREASE, OIL EXPORTS DROP

Kuwait ARAB OIL in English No 9, Sep 82 p 41

[Text]

THE value of Kuwait's total exports in the first nine months of 1981 dropped by 11 percent compared to the first nine months of 1980, a statistical report of the Central Bank of Kuwait said recently.

The drop was a result of 15.4 percent decline in the value of total oil exports, which was partly compensated by a rise of 45.5 percent in the value of non-oil exports.

The decline in oil exports in the first nine months of 1981 is attributed to a number of factors including the decrease in crude oil production beginning the second quarter of 1981, in pursuance of the government decision to cut down KOC's ceiling of production from 1.5 to 1.25 million bpd.

Another reason for the decline was the sluggish world demand for oil during the second quarter and the persistence of this situation during the last half of the next year, following the economic recession in the oil-importing countries.

The limitations imposed on energy consumption in the industrial countries combined with the surplus oil supply in world markets was a third factor, the report added.

Result

As a result, Kuwaiti oil production in the first three quarters of 1981 fell by around 30 per cent compared to the corresponding period in the previous year.

This has resulted in a decrease in exports of crude oil, refined products and gas by 34 percent, 18 per cent and 15 percent respectively, the report said.

The drop in the volume of exports was compensated, somewhat, by the rise in crude oil prices by 21.3 percent over their level in the first nine months of 1980.

The volume of imports, however, increased by 13.4 percent over the correspond-

ing period in 1980.

Owing to the rise in the value of imports and the decline in the value of total exports, the surplus in Kuwait's balance of trade dropped by 22 per cent in the first three quarters of 1981 compared to the corresponding period in the previous year.

The most significant feature of the detailed data for the January-April period of 1981 was the fact that the value of total imports increased by 2.5 percent compared to the corresponding period in 1981.

Structure

As regards the structure of imports, the share of capital goods rose from 17.5 to 22 percent at the expense of consumer goods the share of which in the total value of imports dropped from 44 percent in the first four months of 1980 to 39 percent in the corresponding period in 1981, whereas the share of intermediate goods remained stable in both periods.

The value of imports of capital goods increased by 29 percent over its level in the first four months of 1980 while the value of imports of intermediate goods increased by four percent and the value of imports of consumer goods decreased by nine percent.

The increase in the value of imports of capital goods is due to increased imports of machinery, appliances, motorcars, transport equipment, industrial requirements, and spare parts by 21, 49, 2 and 10 per cent respectively.

The decrease in the value of imports of consumer goods was due mainly to the decreased imports of private motorcars and transport equipment by 22 percent, and the decrease in imports of foodstuff and beverages, and durable and semi-durable goods by 12 percent, the report said.

CRUDE, REFINED PRODUCTS PRODUCTION DROPS

Kuwait ARAB OIL in English No 9, Sep 82 p 46

[Text]

CRUDE production by Kuwait has dropped considerably. Only 383.9 million barrels were produced during 1981 as compared to 718.1 million in 1977, according to a report compiled by the Central Statistical Office of the Ministry of Planning.

The report says that whereas 588.9 million barrels were exported in 1977, only 266.4 million barrels were exported in 1981.

From the year 1977 to 1981, the peak was 1979 when 911 million barrels were produced out of which 760.4 million barrels were exported.

Production of natural gas too dropped during 1981. Whereas 362.6 million cubic feet were produced in 1977, only 208.5 million cubic feet were produced in 1981. Out of the total production for 1977, 245.3 million cubic feet were utilized and the rest burnt off, whereas in 1981, 110.9 million cubic feet were utilized.

The peak for natural gas was again 1979 when 460.4 million cubic feet were produced out of which 334.3 were utilized.

LPG

Production of Liquefied Petroleum Gas (LPG) however, increased. Whereas, in 1977 only 15 million barrels were produced, in 1981 the figure rose to 17.4 million barrels. Out of the two totals, in 1977 14.5 million barrels were exported and in 1981 14.8 million barrels were exported. This shows that local consumption of LPG increased from 400,000 barrels in 1977 to 2.6 million barrels by the end of 1981.

Production of refined petroleum products too dropped. Whereas, in 1977, the total production was 133.7 million barrels, in 1980 it was only 89.6 million barrels. In 1977 131.1 million barrels of refined products were exported and in 1981 only 81.9 million barrels. Local consumption of refined products, however, increased from 2.6 million barrels in 1977 to 7.7 million barrels in 1981.

Production of liquified gas increased too. In 1977 14.9 million barrels were produced, whereas in 1981 this figure rose to 15.9 million barrels. Breaking down into butane and propane, the report shows that whereas 7.9 million barrels of propane were produced in 1977, in 1981 the figure rose to 9.2 million barrels. Production of butane, however, decreased from 7.02 million barrels in 1977 to 6.7 million barrels in 1981.

The peak for liquified gas was again 1979. The total for this year was 36.5 million barrels, out of which butane was 14.5 million barrels and propane 21.8 million barrels.

Sulphur

The total production of refined petroleum products, including sulphur, in 1977 was 133.8 million barrels, whereas in 1981 it came down to 96.4 million barrels. Out of this sulphur amounted to 79 tonnes in 1977 and in 1981 it rose to 97,000 tonnes.

Asphalt produced in 1977 was 502,000 barrels and in 1981 it rose to 1.4 million barrels; fuel oil was 60.1 million barrels in 1977 and in 1981 it came down to 36.1 million barrels; diesel was 2.9 million barrels in 1977 and 1981 1.2 million barrels; gas oil produced in 1977 was 27.2 million barrels which decreased to 21.1 million barrels in 1981; aviation kerosene increased from 4.4 million barrels in 1977 to 5.07 million barrels in 1981; ordinary kerosene increased from 6.6 million barrels in 1977 to 6.8 million barrels in 1981; gasoline increased from 11.8 million barrels in 1977 to 12.4 million barrels in 1981; and naptha decreased from 18.8 million barrels in 1977 to 12.08 million barrels in 1981.

KPC CRUDE EXPORTS DISCUSSED

Kuwait ARAB OIL in English No 9, Sep 82 pp 46-47

[Text]

KUWAIT Petroleum Corporation (KPC) exported a total of 22.6 million tonnes of petroleum products over the period January 80 — June 81, an official report said last month. The export operation included 3.2 million tonnes sold as bunker fuel.

During this period, crude oil exports totalled 561 million barrels, averaging 1.1 million barrels a day, the KPC annual report added.

The price in January was 35.50 dollars against 27.50 dollars before May 1980, the report added.

The system of posted prices, introduced by Kuwait in 1979 was kept under constant review. The postings were reviewed on several occasions mainly in response to increases in the official price of Kuwait crude or to reflect the impact of developments in world oil markets, the report said.

Reductions

During the first half of 1981, significant reductions occurred in these postings as a result of the stagnation which prevailed in world markets, the KPC annual report pointed out.

Exports of liquefied gases during that period totalled 2.6 million tonnes, with sales to the Far East accounted for most of the volume, it added.

Official LPG prices were subjected to dramatic fluctuations over that period, ranging between 258 and 332 dollars per tonne.

Great interest was given in 1980-1981 to exploration and drilling activities whether in the field of geological survey, reservoir or drilling operations, the report said.

An aerial photogeological survey has co-

vered the entire state of Kuwait, while a seismic survey was undertaken in the West Kuwait zone and in the off-shore areas.

Reservoir operations were also carried out for the Kuwaiti fields, the report said.

In drilling, six rigs were used for exploration workover. Nearly 56 wells were drilled during that period of which we particularly mention the deepest well ever drilled outside the USA, namely Burgan, reaching a depth of about 22,235 feet.

Three exploratory wells are to be drilled in Wafra area at sites where there are propitious signs of oil deposits. Work also started last May in a drawn up program for drilling six production development wells in the Ratawi field, the KPC report added.

Volume

The volume of crude oil produced by KPC during the 18 months period ending June 30 81 was about 738 million barrels.

The corporation's efforts were concentrated on workover and maintenance operations of 90 producing wells and the development of other production facilities such as gathering centres, flow lines and equipping them with the necessary pumps.

One of the most important works completed in this connection was the commissioning of the new gathering centre in the North Kuwait zone, the report added.

KPC followed a long-term strategy in the field of international marketing, aimed at maintaining Kuwait's position in the traditional markets, the report said.

During this period, international marketing had to operate in unfavourable conditions and among competitive forces stemming

from a steady fall in oil demand particularly after mid-1980.

The decline in world oil consumption, well in excess of five percent per annum, was brought on by the economic recession in industrialised countries, energy conservation measures and substitution of other energy fuels for oil products, the report added.

Kuwait Petroleum Corporation takes special interest in local marketing, endeavouring to provide consumers with their requirements of oil products and gas necessary to run the power stations, distillation plants and other important industries, the report said.

It has also endeavoured to increase outlets to local consumers through its filling stations, totalling 59 after the addition of four new facilities while contracts for three more stations are being concluded.

Local sales of petroleum products totalled 2.6 million tonnes, or 10 per cent of the total refined products, the report added.

To meet the steady increase in LPG consumption for domestic purposes which was at the rate of 17 percent during last year as a result of the population growth, the corporation increased LPG storage capacity by installing two more storage tanks of a capacity of 100 tonnes each, the report said.

SKB's Geneva branch will offer a full range of banking services. The branch is situated at 2 Rue De Mont Blanc, near to the office of Kuwait Airways Corporation and Kuwait's Geneva Mission.

CSO: 4400/498

BRIEFS

KFAED LOANS--The Kuwait Fund for Arab Economic Development (KFAED) extended 186 loans worth 784 million dollars, since establishment in 1962-63, according to an official in the Fund. The official said that 53 countries benefited from the loans of which 16 Arab states received 60.2 percent of the total, 21 African states received 14.7 percent, 23 Asian countries 24.3 percent and others one percent. Loans to finance transport, communications and storage projects received the major portion of the total, 33 percent, electricity 28 percent, industries 19 percent, and agriculture 17 percent. The loans were offered with easy terms and long periods ranging from 16 to 43 years with average period of grace reaching six years. The loans carried interest rates ranging from half percent to four percent. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 40]

KAC'S NEW JETS--Kuwait Airways recently agreed to purchase two British Aerospace HS125-700 executive jets, and has an option on a third. The two planes will cost the airline some 12 million dollars. The HS125's, which have a range of approximately 2,750 miles, come complete with suede and leather interior finish, telephone, stereo, and toilet. The jets will also feature video and high-frequency ground communications. According to a statement by British Aerospace, one of the jet's major selling points is its reduced noise levels, due to whispering turbofan engines. Although the aircraft are fitted as standard, with eight seats, the interior can be tailored to meet specific requirements. Different seating configurations can accommodate up to 12 passengers. A British Aerospace spokesman in Dubayy said that "we are currently actively discussing possible sales with at least six others, mostly private individuals, in the Gulf." He added that about 25 of these aircraft have been sold to the Middle East since 1972, most of them to Saudi Arabia. Meanwhile the ministry is working on improvements to the telephone network in the country. Telephone connections were recently installed to 600 houses in the Bayan area. The official added that the Mishref-Bayan telephone exchange has a 10,000 line capacity. He said that work has started on installing 3,834 new lines. Modern techniques exploiting the latest international technological advances are being applied, according to Khalid Al Ashur, an area department head. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 44]

AIR TRAFFIC PEAKS--Air traffic in Kuwait reached its summer peak recently, and airport authorities recorded the departure of nearly 130,000 people in one month. A daily average of 100 to 120 regular and extra flights, catering for hordes of holiday-makers kept airport staff busy round the clock. An

official from the Civil Aviation Department stated that thanks to the efforts of all airport staff no major delays were recorded. He added that a 200-bed hotel will be established to offer services for transit passengers, and that it will be completed within one year. The airport's old passenger terminal, which has been lying idle for some time, will also be undergoing improvement work, in order to cater for the anticipated increase in passenger traffic up to the year 2000. The official explained that the increase in air fares decided at the recent Airline Companies meeting in Geneva would not be introduced until presentation to the Supreme Civil Aviation Council for approval. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 44]

ANDOVER PURCHASE--Kuwait Petroleum Corporation subsidiary, Santa Fe International, said last month that it is to acquire the Oklahoma based Andover Oil Company for 150 million dollars. Santa Fe officials said that the deal will be completed as soon as both companies and the regulatory authorities give their approval. Andover--a private concern--had revenue totalling 78 million dollars in 1981. The company is primarily engaged in oil and gas exploration in the mid-continental region in the US and has proven oil reserves of 16 million barrels and gas reserves of 223 billion cubic feet. It also operates 14 drilling rigs through a wholly owned subsidiary Honeymon Drilling Company. Apart from its acquisition of Santa Fe for 2.5 billion dollars in December last year, Kuwait has also invested in a number of other US energy related ventures both in exploration and refining. These include a 370 million dollar joint venture with Pacific Resources of Hawaii centered on refining and distribution and 100 million dollars initial investment in a joint venture with AZL Resources to explore for energy and minerals in the US. Kuwait, in partnership with other Arab investors, has also bought a number of small independent refineries in Texas in a move which oil industry analysts view as a start by Arab producers to obtain refining capacity close to Western market. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 45]

SPECIFICATIONS ON IMPORTS--Kuwait municipality recently issued a directive to all importers to display labels, written in Arabic, on their goods. Labels should detail specifications of the products. The circular stated that importers will have to display the card specifying date of manufacture of the goods, validity of the product and details of the contents. These specifications must be displayed on the goods before the exporters dispatch consignments. Goods received in Kuwait will be examined by a special committee, and if products are not labelled satisfactorily, they are likely to be confiscated. In case of violations, importers will either have to re-export the consignment to the country of origin, send it to one of the Arab states or face confiscation of goods as a last resort. Manufacturers of locally canned foodstuffs will also have to adhere to these regulations, the circular added. The sale, display or distribution of goods not abiding by these rules is strictly prohibited. Sale of goods in Kuwait should be preceded by written permission, or license from the municipality. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 45]

OIL RESERVES ESTIMATE--Kuwait's oil deposits will outlast those of other Arab states, the Arabic newspaper AL SIYASSAH reported recently. The paper quoted as evidence, reports about recent Kuwait National Petroleum Company exploration work, which are said to have proven that Kuwait's deposits may last for at least another 200 years. Official data already released puts the reserves at a rather more conservative 168 years, however. Even at that rate, the estimated reserves of 67.7 billion barrels underground, place Kuwait ahead of other Arab oil producing states, an annual report by OAPEEC states. In comparison, Saudi oil may last for 49 years, Iraq's oil may last for 91 years, Libya's for 58 years and Qatar's for 25 years. Petroleum reserves in the UAE will suffice for another 58 years, Syria has enough for 31 years, Egypt 14 years, and Algeria 30 years, the report says. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 45]

CSO: 4400/498

BRIEFS

CEMENT PLANT EXPANSION--The tender for the expansion of the Qatar National Cement Plant has been won by Hyundai Heavy Industries. Hyundai's offer of 123 million dollars was the lowest amongst several international companies, said a spokesman for the Cement plant in Doha last month. The others who tendered are: France's Fives-Cail Babcock (141 million dollars); West Germany's Orenstein and Koppel (141 million); Japan's Kobe Steel (143 million); West Germany's KHD Humboldt Wedag (156 million); West Germany's Krupp Polysius (163 million); and a consortium led by US' Fuller Company with Switzerland's BBC Brown and Belgium's Baron Leveque (181 million). The extension, which involves the setting up of a new production unit with a capacity of 2,000 tonnes of cement, will begin next year and be located about 10 kilometers away from the existing kilns which have a combined capacity of about 900 tonnes a day, the spokesman added. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 10]

AL-KHAWR HARBOR DREDGING--Dredging work by Qatar National Navigation and Transport Company on the Khor Harbor development project is on schedule, says a report in the KHALEEJ TIMES. The report quoted Navigation's general manager, Captain M. Mandour, as saying that the firm's own dredger Al-Dhakhira with supporting craft is dredging a five kilometer long channel from the sea to the Khor harbor. Navigation is doing the job as a subcontractor for the Dutch firm, Interbeton Qatar. Interbeton's managing director, C.J. Van Heijst, told the paper that the company is currently doing the development work on Khor fishing harbor. The project involves the replacement of the old fishing jetty by a 300-meter-long quay wall and the construction of a 100-meter-wide slipway for fishing vessels. The work is expected to be completed by April next year. Total cost is put at eight million dollars. Interbeton Qatar is also providing technical help to Navigation. The Khor harbor has shallow waters, with fishing vessels using the harbor limited to two meters drafts. The big cutter dredgers are not suitable in Khor waters. Navigation came up with suitable equipment for this work with their barge-mounted excavator. They modified a whole barge and built the dredger in their Umm Said ship repair yard. Navigation is also using three bottom-dump barges, each with a capacity of 300 cubic meters, two big tugs of 270 hp each and one small tug of 180 hp as utility craft. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 10]

FLOUR MILL EXPANSION--Qatar Flour Mills recently announced a major expansion project which will raise the production capacity. It is hoped that the mills will provide enough flour and wheat to meet the state's needs until the year 2000. The project includes relocating the present mill, situated at the moment in a heavy industrial area, to a population free site. The new mill will have a production capacity of 400 tons per day. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 10]

BANK LOANS UP--Qatari banks extended \$1.45 billion in credit to various sectors of the economy during the first half of this year, compared to \$1.08 billion in the same period of 1981. Majid Mohamed Al Majid, director of the Qatar Monetary Agency, attributed the increase to a "Boom in trade and economic activities." [Text] [Manama GULF MIRROR in English 4 Sep 82 p 17]

CSO: 4400/495

SAUDI ARABIA

BRIEFS

WEST GERMAN STEEL FIRM WINS CONTRACT--Saudi Arabia has awarded a DM 435 million (\$177.5 million) order to Thyssen Saudi, a subsidiary of West Germany's Thyssen steel group, to construct a large commercial centre in Jeddah. Thyssen Saudia is a subsidiary of Thyssen Rheinstahl Technik GMBH, a plant company in the Thyssen group supervising implementation of the project. Thyssen Rheinstahl Technik recently won a DM 170 million (\$69.4 million) contract to supply a complete pipe-casting foundry for Egypt's state-owned El-Nasr Castings Company. Work on the plant, at Tanash northeast of Cairo, is to begin in the autumn and should be completed in 30 months. The West German reconstruction bank Kreditanstalt fuer Wiederaufbau helped win the contract for Thyssen by offering to finance it in full. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English No 30, 13 Sep 82 p 6]

CSO: 4400/500

OBJECTIVES, ACCOMPLISHMENTS OF FAMILY PLANNING REVIEWED

Tunis AL-SABAH in Arabic 12 Aug 82 pp 4-5

[Article: "With Mrs Su'ad Shatir: Family Planning Is not Process to Control Birth But Complete Program to Organize Demographic Growth, to Insure Nation's Health and to Secure Happiness for Children and Prosperity for Family; Government has Succeeded in Putting Family Planning in Its Correct Framework and in Merging It in Comprehensive Policy for Family Happiness; New Program to Develop Services in Rural Areas and in Suburbs Surrounding Major Cities"]

[Text] Family planning has entered our life and has become an almost ordinary service needed and sought by the family which finds this service in any part of our country. It is a service in the modern sense of the word. It is optional [hurrah] and free of charge, meaning that it is accessible to any desiring citizen. If he needs it, he finds it and if he doesn't need it, it is not imposed on him.

These are some of the characteristics of family planning today in Tunisia. Perhaps this is what has made the demand for it increase and what made its results improve more and more.

The government has succeeded in putting family planning into its proper perspective and in merging it in a comprehensive family and human development policy.

Family planning, according to Su'ad Shatir, the general director of the National Family Planning and Human Development Bureau, is not a process to control birth but a complete program to organize the demographic growth, to ensure the means of health for the mother, to secure happiness for the child and to realize prosperity for the family and progress for society generally.

Mrs Shatir notes that a vast stride has been made to realize these goals, thanks to the constant care given to family planning by President Habib Bourguiba, the great struggler, the liberator of women and the protector of the family and the rest of the new Tunisian society.

Shatir asserts that this care which the great struggler has accorded the program for nearly 20 years is the best incentive for continuing the work resolutely and steadfastly in order to realize the goals of family planning.

Bourguiba's name is frequently repeated by Mrs Shatir. She believes he is the source of all that has been accomplished for the benefit of family planning. He is the one who laid down the social, cultural and legal bases for this program by liberating women, disseminating education in all parts of the country, providing the health structures and raising the economic standard of all the citizens.

He, according to Su'ad Shatir, is the man who, thanks to his wisdom and foresight, insisted on reviving [establishing] a program to help families organize their births and to protect the country from the consequences of demographic [population] explosions and he is the man who has supported the program, who continues to engulf it with his sympathy and who exhorts for its success.

Thus, Tunisia is a forerunner in a sensitive field and its experiment in this field is a pioneer and rich experiment that has enabled Tunisia to deal with the issues of human development on time and before it is too late, as has happened in some countries.

Su'ad Shatir speaks while focusing her eyes every now and then on a photograph of the president hung in the center of one of the walls of her temporary office--an office furnished with a simplicity that reflects the careful management of its resources. Another picture in the office draws attention. It is an oil painting of a woman holding her newborn baby to her chest gently and lovingly as if to remind that one of the goals of family planning is to make the family capable of providing a greater charge of love and care for its children.

The Bureau director analyzes these goals, saying that family planning as laid down by Bourguiba is not an isolated process but one of the mainstays of the family policy. This is why its goals are numerous.

Achieving Demographic Balance

At the societal level, the family planning program helps to realize the demographic balance which has been upset by the rise in births and the big drop in deaths--a drop realized by virtue of the enormous efforts exerted by the government in the sphere of health. Thus, family planning also makes it possible to plan economic growth on scientific bases.

At the family level, the goal of the program is to contribute to realizing the family's happiness and prosperity and in so doing provide the family and its members with the greatest of benefits. This goal is embodied more specifically in the following manner:

By safeguarding the mother's health which collapses as a result of successive births at short intervals and of the heavy burdens which the mother shoulders when taking care of the affairs of a big family.

By securing peace of mind for the father through the reduced material and moral responsibilities he has to shoulder.

By protecting the child's health against the diseases resulting from inadequate care due to the family's large size.

Research has proven that children born down the line do not have the same health and mental capabilities as children born first.

By creating a psychological atmosphere in which children are surrounded by their parents' affection.

By providing the time and efforts necessary to give children a proper moral and intellectual upbringing.

By keeping the family expenses within reasonable limits that enable it to save and to realize the prosperity it aspires for and to prepare for the future of its children.

At the level of the individual, the desired care is the care which provides the child with enough means to see the light in a family atmosphere that guarantees him a happy childhood. The balance which a child enjoys in a happy family and the opportunities provided him in a sound society enable him to cross the threshold of life easily and while prepared to establish in his turn a new and upright family and to participate in building his society in an effective and beneficial manner.

Thus, family planning in Tunisia emanates from a noble moral concept that seeks to create a society comprised of citizens who enjoy health and happiness and who are capable of turning the wheel of progress and eliminating all the challenges we are facing today, especially in the third world countries which are fighting ignorance, poverty and backwardness and which, along with the material resources, need high human capabilities to do so.

What Is Important Is Quality, not Quantity

Thus, what is important is not numbers but the quality of the citizen who must be created. The new citizen cannot be created just by abundant resources. The issue is not so much an issue of resources as it is one of raising a human being with full faculties and powers. This can be done only within the core of the family which must have a reasonable size that makes it capable of generating all the love, care and constant attention which all its members need.

Mrs Shatir points out that what calls for satisfaction is the Tunisian's ever-increasing awareness of these facts.

The director attributes this awareness to the fact that family planning in Tunisia is included within a comprehensive family policy established by the government since the early days of independence. This program has not come out of the blue but is a link for which the government has prepared and which it has bolstered with other integrated and interacting links.

Mrs Shatir believes that success would not have been destined for this program were it not for these links, the most important of which are:

The presence of the compelling political will at the highest level: The family planning program came into existence, grew, prospered and reached its present dimensions by virtue of the efforts of the great struggler who still patronizes the program and urges people to take advantage of its services.

Liberation of the Tunisian woman, thanks to the promulgation of the Personal Statutus Code on 13 August 1956. For the first time in history, this code made the Tunisian woman a citizen in the full sense of the word--a citizen enjoying all rights, capable of making a choice, of managing her affairs and of performing her mission in full in an atmosphere of freedom within the family and society. On this occasion, Mrs Shatir lauded the great struggler, asserting that family planning would not have been achievable if women had not been able to control their destiny and participate with husbands in determining and carrying out family affairs.

The laying down of a legislative framework which paved the way for family planning and which then bolstered this planning upon its emergence. This framework contains a number of measures, including in particular.

1. Permitting the importation and sale of birth control methods (1961).
2. Setting the minimum marriage age at 17 for women and 20 for men (1966).
3. Creating special outfits to manage the family planning program, the latest of which is the National Family Planning and Human Development Bureau (1973).

The dissemination of education in all parts of the country for the benefit of children of both sexes. This facilitated the spread of awareness of the various issues concerning progress, including family planning.

Expansion of the sphere of public health services and the diversification and improvement of these services at both the curative and preventive levels. The network to convey the family planning services to all the citizens was established and strengthened with organizations concerned with family planning, organizations embodied presently in 22 provincial centers, 2 clinics in the capital and 50 roving teams in the rural areas.

Collective National Responsibility: Mrs Shatir also believes that one of the most important factors of success is the fact that the family planning program is viewed as a collective national responsibility. This is why the program is carried out by all the ministries and all the national, provincial and local organizations and establishments concerned, in addition to the Bureau. The Ministry of Public Health intervenes directly at the level of medical services. The Destourian Socialist Party and the Ministries of Social Affairs, Agriculture, National Education, Cultural Affairs and Youth and Sports contribute at the level of education and enlightenment. The national organizations also take part in this effort, especially the National Federation of Women. The provincial authorities also play an effective role in the program.

Speaking of the Bureau's tasks, foremost of which is the task of education and enlightenment, Su'ad Shatir says: Family planning is a sensitive message.

This is why it is necessary to perform it by encouraging the citizens to take advantage of this program within the framework of free choice and after they feel and get convinced of its benefit to them and to their families. The Bureau does not compel anybody to engage in family planning but provides services which it is eager to make good-quality services. The Bureau exerts efforts to make these services known so that the family wishing to get them may do so. The Bureau also exerts efforts to persuade the citizens of the benefits of a balanced family and uses for this purpose the various media, including newspapers, magazines, regular radio sessions and television programs. The Bureau also uses the pamphlets which it publishes, in addition to relying on direct contacts through the house visits made by the various social guidance cadres, on public meetings and educational sessions at work sites, such as factories and agricultural centers, and educational meetings and sessions set aside for the various cadres which in turn spread the information among the citizens.

In addition to information, the Bureau provides services embodied in birth control methods. These are free services offered by more than 750 health establishments distributed throughout the cities and the rural areas, by 25 specialized provincial outfits controlled by the Bureau, including the 2 clinics found in the capital, and by 50 mobile teams, theoretically controlled by the Bureau, which tour the countryside according to a regular schedule.

Field Studies

Mrs Shatir asserts that the Bureau is eager to provide the latest means and methods available in the world--means and methods proven effective.

To guarantee that these services are beneficial, the Bureau carries out a third task, namely scientific research in the spheres of family planning and human development. Within this framework, the Bureau conducts field studies to evaluate the programs' compatibility with the advanced needs. It also conducts general demographic studies which deal with society's developments and interactions [i'timalat], in addition to the medical research conducted at a specialized center of the Bureau.

The Bureau devotes special attention to creating cadres because it can thus improve the capabilities and guarantee the constant development and good quality of the services. This effort, also carried out by a special center, includes the medical cadres, medical assistants, supervisors of the information and education programs and provincial officials in charge of family planning, in addition to the administrative and financial management cadres. Doctors, midwives and nurses from fraternal and friendly countries also benefit from this structure within the framework of international cooperation.

Bolstering of Programming and Planning

Su'ad Shatir then deals with the Bureau's activities in recent months, saying that this organization and its cadres have exerted major efforts to realize the goals planned in advance and to prepare for marching into the phase of the Sixth Plan and the third 10-year social and economic development plan with the

biggest guarantees of success. In addition to the eagerness to continue developing and improving the services, the Bureau has especially bolstered the programming and planning aspect according to the requirements of the interim phase in the country's social and economic life.

Within this framework, a studied work plan has been drawn up for the coming 5-year plan. This plan has been approved and included within the health plan document. The Bureau has also drawn up a 5-year strategy for international cooperation with the various foreign organizations that provide the Bureau with technical and material aid.

Mrs Shatir points out that one of the most prominent and beneficial accomplishments realized for the present and the future is the system of constant evaluation established by the Bureau in 1981. One of the advantages of this system is that it makes it possible to determine the points of strength and of weakness in the program and, consequently, allows immediate intervention to make use of the merits and to overcome the shortcomings. This system has helped to keep the Bureau informed of the real position and resources of the program in each delegation and even at the level of the rural environment and the urban environment. Thus, the system facilitates the Bureau's task in making the delegation the basic geographic unit for the implementation of this program whereas the province (al-wilayah] was previously the unit used for the purpose. Thus, all areas in every province enjoy the same level of services at the volume they need.

Mrs Shatir further adds that the Bureau has also devoted attention to two other basic issues. The first is further coordination of the methods of work between all the provinces and between the provinces and the agencies so that the program may be implemented in the same manner and with the same degree of success by virtue of the harmony and interaction that occurs between them when this coordination takes place.

The second issue concerns careful management of the resources. This is a ceaseless effort and a constant demand in which the Bureau has made commendable strides.

Twenty-eight New Test Centers

At the field level, the director says that the Bureau has worked in recent months in accordance with goals that seek to:

Develop information and education in a manner that helps families to choose the size befitting them and to make use of the services that enable them to realize their objective.

Improve and enhance the services.

Bring the services to the largest number of citizens possible with special application to the remote rural areas and to the overcrowded suburbs surrounding the major cities. In this regard, the Bureau has set up since the end of 1980 a total of 28 new test centers in the quarters located within the capital's

green belt to offer a number of services. The Bureau has also regulated the work of the 50 mobile teams operating in the countryside and established provincial branch offices in the new governorates, such as in (Tawzar) and Tatawin and in the governorate of Tunis which did not have a provincial branch office before.

Strengthen the existing cooperation with the various ministries, organizations and establishments that assist the Bureau and coordinate the work programs with them.

Numerical Jargon

Regarding the outcome of the services offered, Mrs Shatir notes that this outcome is improving constantly, both qualitatively and quantitatively--an improvement which the Bureau's Executive Council underlined in its meeting at the end of last June.

In this respect, she points out that the number of visits, the number of women seeking family planning and the volume of the services is increasing constantly. Moreover, the type of women seeking the service has developed in the desired direction, with a drop in the age of such women.

She points out that the most significant increase has been realized in the use of the coil which is a successful means that is more compatible with the Tunisian woman's character. In 1981, the services for this method [of birth control] rose by 27.7 percent over 1980 even though an increase of 23.5 percent was recorded in 1980 over 1979. This continued tempo calls for great satisfaction.

Perhaps this effort is one of the factors which have caused the natural population growth rate to drop from 2.7 percent to 2.6 percent in 1981 as a result of the drop in births from 35 per 1,000 in 1980 to 34 births per 1,000 in 1981.

When speaking of the future, especially the near future or the 5-year plan, Su'ad Shatir's features relax because the Bureau has prepared in the best manner possible for this phase and has prepared programs that will help (make the services available) to an ever-increasing number of citizens in the various areas.

Mrs Shatir asserts that the material and moral conditions for the Bureau to succeed in its task in this phase are present because family planning has again been included as one of the fundamental options of the plan. This in itself is the biggest motive for the Bureau workers. The Bureau has also drawn a 5-year plan which will add a new dimension to family planning.

One of the most important mainstays of this plan is to establish a balance between the various provinces, within every province, between the various delegations and between the urban and rural areas of each delegation. Thus, services will be brought closer to all the citizens and will be brought up to the same standard.

Within this framework, the Bureau started as of the beginning of this year implementing the two following important 5-year programs:

The first concerns the suburbs surrounding the major cities which are characterized by high population density. The service in these suburbs will be expanded so that, in addition to the capital's green belt, where 26 clinics have been set up, the suburbs of 8 other cities--namely: Susah, Safaqis, al-Munastir, Banzart, Nabul, al-Qayrawan, al-Mahdiah and Qabis--may benefit from them.

The second [program] concerns establishing an important family planning program in the remote rural areas. In accordance with a prior study, the program will include in the first phase two delegations in each of the following 10 governorates:

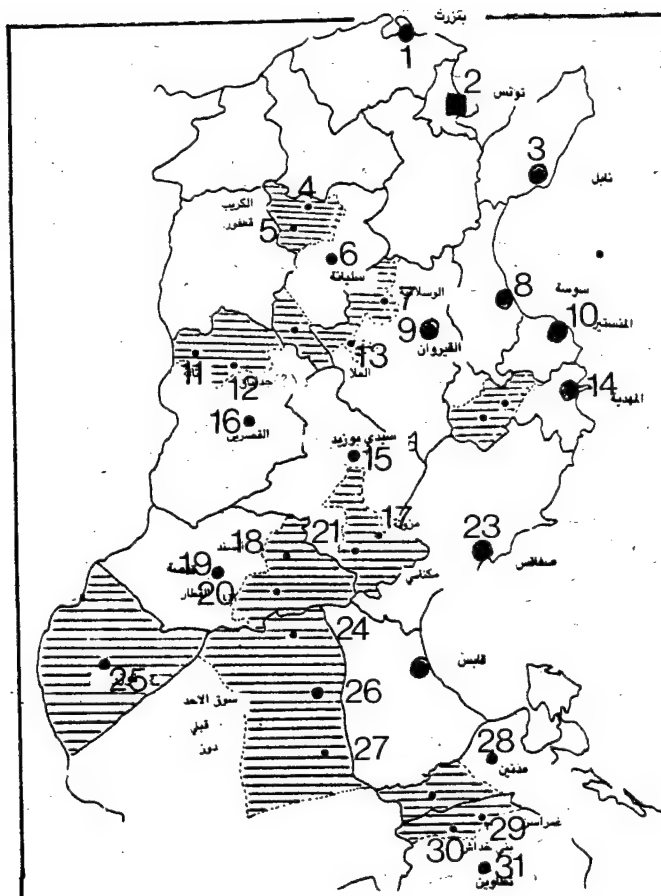
Tatawin, Madanin, Qafsah, Tawzar, Qibli, Sidi Bu Zayd, al-Mahdiah, Silyanah, al-Qayrawan and al-Qasrayn. In this respect, an educational team and a mobile clinic which will provide on-the-spot family planning services in remote rural areas will be set up in each governorate.

These two programs will have a profound impact on developing the family planning services, especially by bringing them closer and making them accessible to the citizen masses.

There is no doubt that the Bureau will continue its regular tasks and programs, whether in the spheres of information, education, services, scientific research or creation of cadres. The Bureau will focus in particular on improving and diversifying family planning which will be bolstered with a new means, namely periodic injection.

Thanks to this effort, the Bureau hopes that the percentage of women engaged in family planning will rise from 24.6 percent in 1981 to 34.7 percent in 1986. This will help reduce the birth rate from 35 per 1,000 in 1981 to 30.3 per 1,000 in 1986.

These are the figures, but what Mrs Shatir persistently stressed at the conclusion of this extensive tour is that family planning is optional. It is an ordinary service offered by the Bureau to those desiring it, and they are many and their numbers will increase by virtue of the ongoing evolution of mentalities and of the general progress at the economic and social levels. The Bureau will work to offer this service under the best conditions, thanks to the resources secured for it by the government and the assistance it receives from the party, the ministries and the organizations and thanks especially to the patronage of President Habib Bourguiba, the great struggler.



KEY:

- | | | |
|------------------|------------------|-------------------|
| 1. Banzart | 11. Talah | 22. Safaqis |
| 2. Tunis | 12. Jadliyan (?) | 23. Qabis |
| 3. Nabul | 13. al-'Ala' | 24. Suq al-'Ahad |
| 4. al-Karib | 14. al-Mahdiah | 25. Tawzar |
| 5. Qa-fur | 15. Sidi Bu Zayd | 26. Qibli |
| 6. Silyanah | 16. al-Qasrayn | 27. Duz |
| 7. al-Waslatiyah | 17. al-Mazzunah | 28. Madanin |
| 8. Susah | 18. as-Sanad | 29. Ghumrasin |
| 9. al-Qayrawan | 19. Qafsah | 30. Bani Khaddash |
| 10. al-Munastir | 20. al-Qattar | 31. Tatawin |
| | 21. Miknasi | |

[Map Caption] The map shows [the centers of] the family planning services promotion program in the remote rural areas of ten governorates (see shaded areas) and the densely populated suburbs of nine metropolises: Tunis, Banzart, Nabul, Susah, al-Munastir, al-Qayrawan, al-Mahdiah, Safaqis and Qabis.

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CS0: 4504/513

CEILING PUT ON FOREIGN BANK BRANCHES

Kuwait ARAB OIL in English No 9, Sep 82 p 54

[Text]

The UAE government has put a ceiling on the number of branches any foreign bank can have in the Emirates. The limit is eight.

The Central Bank's decision will force 89 branches to close down by the end of 1983. Banking officials said that this move is seen as an attack on the problem of overbanking and a gesture of support to the local banks.

There are nearly 28 foreign banks with 122 branches in the UAE. Besides these there are 11 local banks with 125 branches. In addition there are four foreign banks with restricted licences, three merchant banks, three finance companies, two discount houses, several exchange houses and representatives of at least 13 foreign banks.

Comparison

Compared to the population of the UAE, there is one bank branch, agency, or representative for every 2,786 persons.

Abdul Malik Al-Hamar, Governor of the UAE Central Bank, told the press in an interview last month that though the Central Bank is putting restriction on the activities of the foreign banks, the overall policy of the Emirates was a free economy. "But a free economy does not mean that there are no directives or limits," he said.

He explained, "the government will not allow the assets of foreign banks to increase and will not issue any more licences for foreign banks in the country, but of course we are continuing to allow representative offices according to the level of trading ties we have with these countries."

Al-Hamar denied the accusation that the

UAE is over-banked and said that foreign banks' branches were already being curtailed and banks in excess being closed. Local banks are under control and foreign banks operate within certain regulations, he said.

Concentration

A report issued by the UAE news agency, WAM, last month said that Abu Dhabi and Dubai account for one third each of all the banks and their branches in the UAE. About one sixth of them are in Sharjah. Of the 22 locally incorporated banks in the Emirates, nine have their head offices in Dubai, five in Abu Dhabi, four in Sharjah, two in Ras Al-Khaimah, one in Ajman, and one in Umm Al-Quwain.

Of the total bank deposits of 14 billion dollars, upto the end of 1981, 48 percent came from the private sector, nine percent from the public sector and 43 percent from overseas residents.

Of the total credit for residents (8 billion dollars at the end of March 1981), trade accounted for 39 percent (mainly in Dubai) and construction for 33 percent (mainly in Abu Dhabi).

In addition, assets of Restricted Licence Banks (RLBs denoting those international banks not allowed to receive Dirham deposits from residents) totalled 600 million dollars by the end of June 1981.

The report added that some of the banks in the UAE are wholly-owned by the government such as the National Bank of Dubai and Abu Dhabi, while others are partly state-owned and public owned. Some of them con-

tain foreign equity stake from different West European banks and still others are linked to the larger trading houses.

Apart from the state-owned banks, all others have had to compete fiercely for profits and in view of the turbulent banking history have fared exceptionally well.

Crisis

A boom period between 1973 and 1977 led to the banking crisis of 1977, during which, amid the acute liquidity shortage, two banks were temporarily forced to close. The flight of Dirhams arising from higher international interest rates has since abated to some extent but the malaise still affects liquidity in a serious manner.

Against this, however, the local banks have shown impressive profits due mainly to a prudent dividend policy and the endeavour to augment their resources by maintaining a large share of the profits.

Today nine UAE banks appear in the list of 100 top commercial Arab banks in terms of deposits. Many of the UAE banks have not restricted their sights to operating in the UAE alone. In the early days of their development and as a propellant to fast growth they have ventured overseas, essentially to those countries first with which the UAE had strong (trading) and cultural links, and recently further afield.

CSO: 4400/496

FREE TRADE ZONE SUCCESS PROVEN

Kuwait ARAB OIL in English No 9, Sep 82 p 59

[Text]

Dubai's experiment in free trade zones (FTZ) has proved to be a spectacular success. Import and export through the FTZ in Jebel Ali more than doubled during last year, said a report in the Khaleej Times last month.

In its first year of operations, the FTZ at the airport transacted business worth 9.5 million dollars in imports and 14 million dollars in exports.

Statistics relating to the zone in Jebel Ali, just released by the Dubai government, showed imports at 271 million dollars and exports at 267 million dollars last year. In 1980, imports through this facility were worth 114 million dollars and exports were valued at 112 million dollars.

Exports from the FTZ at the airport were made to as many as 20 countries with Iran heading the list. Destinations also included developed countries like West Germany, Britain, the US and Sweden, indicating that the zone had become popular not only with Dubai's traditional markets, but its sources of

imports as well.

Imports

Twenty countries also served as sources of imports, with West Germany leading the list with a turnover of 4.5 million dollars. Japan, traditionally the biggest exporter to the UAE, is second, but it is way behind its turnover with only one million to its credit.

Imports into the Jebel Ali FTZ came from 38 countries led by Japan, followed by the US and Singapore. Exports were made to 23 countries with Iran at the top of the list.

Sales worth 44,071 dollars were also made to the duty-free shop at the airport. Encouraged by the success of the zones at Jebel Ali and the airport, the Dubai government has now set up an FTZ at Rashid Port.

Rules governing the new facility were made public at the end of June and it is widely believed that this zone located at Dubai's primary port, will also prove to be equally attractive to importers and exporters.

CSO: 4400/496

PORT KHALID EXPANSION NEAR COMPLETION

Kuwait ARAB OIL in English No 9, Sep 82 p 65

[Text] Dredging work at the harbor entrance and container berths one and two of Sharjah's Port Khaled is almost complete. The new set up will allow third generation vessels to be handled, port authorities announced recently.

According to a report in the Gulf Mirror, the dredging operation to deepen the harbor entrance to 11.5 meters, is being carried out by Harbor Engineering, a joint venture between Dafco of Sharjah and Promet of Singapore.

Barry Coughlan, General Manager of Gulf-tainers and Manager of Sharjah Container Terminal, said work should be completed by the beginning of October.

The project, started in March this year, will enable Port Khaled to receive almost any size of container ship. A Liebherr T115 third generation gantry crane was installed in May, and a second is due to arrive in December, from Killarney in the Republic of Ireland.

With a lifting capacity of up to 40 tons, the cranes will be able to cope with large container vessels.

Other yard-handling equipment includes two SISU terminal tractors for working ro-ro ships, and two Valmet gantry cranes.

"The over-berth and over-crane situation that has existed in this particular area of the UAE, has, in the past, influenced lines to shop around for the best possible handling rates. This has now settled down and the variance in handling rates offered by Sharjah and her neighbours is minimal. The support we have received from the Port Authority has been of invaluable assistance to us during the past 12 months, enabling Gulf-tainer to reverse the bleak outlook of early 1981," Coughlan added.

Gulf-tainer comprises three divisions, Sharjah Container, Terminal, Truck-tainer and Gulf-tainer Agency.

CSO: 4400/496

DUBAL STAFF CUTS REPORTED

Kuwait ARAB OIL in English No 9, Sep 82 pp 66, 67

[Text]

The Dubai Aluminium Company, Dubal, implementing a drastic economy drive, has been forced to make around 60 workers redundant, including a number of senior personnel, according to the Gulf Mirror.

Dubal Chief Executive, Ian Livingstone, stated that "The aluminium industry throughout the world is going through a difficult time. Every company is struggling to keep its costs down, and some are going out of business." He added that if conditions show no sign of improving, then more employees may lose their jobs.

Livingstone said that Dubal is a new plant, and has achieved its rated output of water and aluminium faster than had been expected. "Thus we can manage with fewer workers, have always had a manpower reduction program, aimed at reducing our level to less than 1,300 people, and present circumstances

enable us to accelerate that plan."

He added that current aluminium prices had also had an effect on the situation. "We are able to sell our product, but obviously we are not getting the prices we would like. However, we are asking prices that are acceptable in the market conditions of the day. There is tremendous pressure on costs."

The redundant workers included people from every level of management, both European and Eastern expatriates, all of whom have received compensation. The majority of staff affected were from the administrative sector.

Dubal began operations on October 31, 1979. The entire 1.4 billion dollar project is effectively owned by UAE Vice President, Prime Minister, and Ruler of Dubai, Shaikh Rashid Bin Saeed Al Maktoum.

CSO: 4400/496

DRIP-IRRIGATION SYSTEM POPULAR AMONG FARMERS

Kuwait ARAB OIL in English No 9, Sep 82 p 67

[Text]

The modern drip irrigation system, adopted by the Ministry of Agriculture and Fisheries, is fast becoming popular with the farmers of the country. Already hundreds of farmers of Dhaid and Ras Al-Khaimah have sent in applications to the Dubai office of the ministry requesting it to use their plots of land for introducing the system, said a report in the Khaleej Times.

Alauddin A. Ahmed, a water and soil expert at the ministry told the paper last month that farmers all over the country are now becoming conscious of the need to minimise the use of water in irrigation.

He said that the agricultural sector was using almost 80 percent of the water being consumed in the country. The drip-irrigation system would not only help to minimise the use of water, but would also reduce the labor cost by at least 30 percent, and increase pro-

duction by 100 percent.

The system, he said, would initially be introduced in 400 plots of land in different parts of the country at a cost of 4.5 million dollars. The ministry had already signed a contract with Mazzrouie Farrods, a joint UAE-Bahraini venture to implement the project. Work was already underway in the designing part of the project, Alauddin said.

The ministry has informed farmers all over the country and the warmth of the response was evident from the large number of applications that had been received. It was because of this enthusiasm on the part of the farmers that the ministry had decided to implement the project as early as possible.

Early introduction of the system was also needed because of the necessity of reducing water consumption. All the farmers who had offered their land for the project had also indicated their willingness to share the cost of the installation of equipment, said Alauddin.

CSO: 4400/496

ADCO SETS UP NEW ONSHORE RIGS

Kuwait ARAB OIL in English No 9, Sep 82 p 67

[Text]

The latest development in Abu Dhabi's man-made island drilling project, the setting up of two land drilling rigs, has been successfully completed, according to Adco Oil Company's newspaper 'Onshore Echo.'

The islands, Halat Hail and Zubbaya, constructed on top of the Hail and Zubbaya offshore oil fields, are identical in design, each incorporating drilling and accommodation areas. The overall area of each island is about 50,000 square meters, and both stand a little over four meters above low water.

The project, which includes the construction of an extension to Bu Sayif island, on the Hundairat field, will provide Adco with massive offshore oil drilling opportunities, when they go into production in 1983.

Although essentially an onshore exploration and production company, Adco's concession rights extend for six kilometers into the sea along Abu Dhabi's coastline. Offshore drilling, however, costs about three times as much as onshore operations, and in the shallow waters off Abu Dhabi, extensive

dredging would have been needed before offshore rigs could be installed.

Protected

Adco decided on utilising three onshore rigs on the islands, and the two that have already been set up, Saipem-9 and Saipem-10, had to be completely dismantled before they could be re-located.

The islands have an unusual protection against wave attack and scouring, involving heavy-duty synthetic filter fabric placed over the slopes and sand beams. The filter is embedded in the sand at the top of the slopes and is anchored by means of concrete blocks. The slope protection work then continues with the placement of sandbags.

The islands, which were completed fairly recently, are constructed out of a total of 3,000 massive concrete blocks, 16,000 slope bags, 11,000 bottom bags, and 66,000 square meters of filter fabric. Other work included the installation of navigational aids, buoys with radar reflectors, and landfall buoys marking the entrance to the access channels.

CSO: 4400/496

FARMING, FISHING PROGRAMS TO BE ENCOURAGED

Kuwait ARAB OIL in English No 9, Sep 82 p 56

[Text]

An intensive and extensive program of subsidies, assistance and services is being put together by the UAE Ministry of Agriculture and Fisheries with the aim of encouraging farmers and fishermen to stay in their traditional occupations, says a report issued last month by the official UAE news agency, WAM.

The report added that Hamed Abdullah Salman, Deputy Minister of Agriculture and Fisheries, outlined the details of the program as follows: 1) Free installation and maintenance of motor boats for fishermen. 2) Free vaccination and medical care for animals. 3) Free preparation of farmland, digging of wells, installation and maintenance of water pumps. 4) Provision of subsidised seeds, pesticides, organic and inorganic fertilisers, spraying equipment, water pumps, fencing materials, fishing boats and engines.

All these items are to be subsidised to the extent of 50 percent under a total program cost of 21.9 million dollars. Among the major constraints in agriculture development, the minister pointed out to the tendency of nationals to quit traditional occupations of farming and fishing for more lucrative professions as well as the low reserves of underground water in the region.

The key to the UAE's future sustainable food production is water, the Minister added.

Requirements

The water requirements of the country have been estimated at 565 million cubic meters while the recharge from rainfall and desalination plants is 210 million leaving an annual deficit of 355 million cubic meters.

To conserve the depleting reserves, the Ministry has taken several measures including the installation of sixteen water level recorders, 28 automatic rainfall recorders, 19 flood stage level recorders, as well as observation wells to measure the change of water level.

Other measures include construction and maintenance of 43 falajas that transfer 17.4 million cubic meters of water annually besides construction of dams on wadis to avoid flood hazards and to help in recharging the underground water.

The Ministry will also implement 60 million dollars worth of irrigation systems, and undertake research in agriculture. A central laboratory has recently been established in Al Ain to undertake research and joint research ventures are also lined up between the Ministry and the Faculty of Agriculture of the Emirates University at Al Ain.

Research findings are conveyed to farmers through the printed and audiovisual media as well as demonstrations by extension workers on the farm.

CSO: 4400/496

UNITED ARAB EMIRATES

BRIEFS

AL-SHARIQAH AIRPORT TRAFFIC--Al-Shariqah Airport Authority recently published statistics which prove that the airport traffic has increased by 60 percent during the year ending June 1982. Between July 1981 and June this year, a total of 84,924 passengers arrived, 80,032 departed, and 188,238 transitted at Al-Shariqah International Airport, a rise of 97 percent, 91 percent and 39 percent respectively, from the previous year. Al-Shariqah also witnessed an increase in freight traffic. Freight handled in June this year totalled 128 per cent more than in the previous June. The airport handled 1,594 passengers arrivals, and 582 scheduled flights in the first half of this year, in addition to 756 nonscheduled flights. Twelve international airlines operate scheduled flights through Al-Shariqah airport, totalling 399 take-offs and landings per month. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 55]

ROAD CONSTRUCTION--Nearly 695 kilometers of roads costing 240 million dollars were constructed in the UAE during the period 1972 to 1981, said a government spokesman last month. He added that the longest single road constructed was the one connecting all seven emirates of the UAE, running for 574 kilometers and costing 210 million dollars. The internal network of roads is estimated to be 121 kilometers costing 29 million dollars. The spokesman also said that the second stage of the Khor Fakkan-Fujeirah road is currently under construction. The road runs for 23 kilometers and will cost 23.7 million dollars. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 55]

ADCO OILFIELD DEVELOPMENT--An ambitious project in complex logistics, heavy loads, land and sea transport and land reclamation has given the Abu Dhabi Company for On shore Oil Operations (ADCO) a "first in Middle East oilfield development, according to the official UAE news agency, WAM. The agency reported last month that the company has added two new islands to Abu Dhabi's coastline and has extended an existing island to allow the drilling and completion of three new wells on three different oilfields by 1983. Although essentially an onshore exploration and production company, ADCO's concession agreement extends for six kilometers into the sea along Abu Dhabi's coastline. The islands are entirely manmade and are placed in Subbaya and hail fields permitting wells to be drilled offshore, using onshore equipment. Both are identical in design, with an area of about 50,000 square meters each, and stand a little over four meters above low water. To protect the islands against wave attacks and scouring, the company has covered the slopes and sand beams with heavy duty synthetic filter fabric of five-meter width, sewn together to the

desired length by hand operated machines. This novel protection idea is reinforced by sandbags and concrete blocks. Together the islands use 3,000 concrete blocks, 16,000 slope bags, 11,000 bottom bags and 66,000 square meters of filter fabric. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 56]

RESERVOIR, PUMPING STATION--A contract worth four million dollars for the construction and maintenance of a water reservoir and a pumping station in Ajman, was awarded recently to an international company, according to a source in the UAE government. The source said that Humaid Nasser Al Oweis, UAE Minister of Electricity and Water, signed the contract. The source did not disclose the name of the foreign company involved. The reservoir will have a capacity to store two and half million gallons of water. It will be completed within a period of 16 months. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 56]

GOVERNMENT SPENDING UP--The government of UAE is likely to spend nearly 700 million dollars on new investments this fiscal year, with more than half of it going towards new development projects, reports WAM, the official UAE news agency. The report says that nearly 100 million dollars of public spending will go towards the new satellite project, which is considered to be one of the biggest in the Third World. It will link several Arab countries with the West as well as many Third World countries with the West. The UAE is also contributing 15 million dollars towards the Arab satellite telecommunication project, Arabsat, which will link all Arab countries with one another. In the Emirates itself, the government will spend 1.8 million dollars on improving the communications systems within the nation. Nearly three million dollars will be contributed by the UAE towards an Arab shipping and navigation project, as well as 700 million dollars towards an Arab tanker project for the transportation of Arab crude and refined oil. On the domestic front, the government is to spend 180 million dollars on development of real estate and more than 330 million dollars on development of productive industrial and agricultural sectors. The governments share towards the development of real estate within the country will come through its contribution in the real estate bank. The bank with a prescribed capital of 550 million dollars will become operational soon. A large part of the investment is likely to be made in the Northern Emirates. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 59]

MONITORING FEDERAL PROJECTS--The Ministry of Planning has drawn up a scheme for closer monitoring, in the coming year, of on-going federal development projects so that constraints and delays could be immediately remedied and project schedules maintained, said WAM the UAE news agency. Quoting the assistant director of the Ministry's annual programs and pursuance department, WAM said that the allocation for federal projects in the current year approximated 3.7 billion dollars which is about one percent below the 3.8 billion dollars allocated in 1981. The allocation in the current year for public investment does not contain any major outlay for new projects except schemes of the communication ministry estimated around 112 million dollars. This is in contrast to the public investment program of 1981 when the outlay for new projects totalled 1.3 billion dollars. Consequently, the current year program is mainly oriented to the financing of on-going projects. The decision of not funding new projects in the current year is in line with the government's policy of directing at consolidating the economy taking into consideration

global recession and the consequent shortfall in revenues. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 59]

ADCO DRILLING OPERATIONS--The Abu Dhabi company for onshore oil operations, ADCO, has embarked on a plan to increase its drillers, to support its scheme of expanding oil prospecting work and the injection of old wells. A recent ADCO report stated that during 1981 the company drilled 63 developed wells and eight exploratory wells, at a total of 657,000 feet. The six new drillers to be introduced are expected to be utilized in current drilling operations, especially in one of the deepest wells in the Gulf region at a depth of 21,250 feet. Other wells in the Habshan areas will be deepened. Recent figures indicate that the UAE's proven reserves ensure several years of production at the present level of about 1.8 million bpd. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 60]

FUJEIRAH PORT CONSTRUCTION--The new Fujairah port, scheduled to open this month, will not be completed until early next year, said a spokesman for the UAE government. The reason for the delay in the completion of the 50 million dollar port was given as technical problems arising in the construction sector. The spokesman said that when completed, it will bring the number of berths in the seven UAE ports to 120 altogether. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 60]

ELECTRIC POWER LINE--An overhead power transmission line with a capacity of 220 kv, has been completed and can be energised any moment, said an official for Temel Energi, a Turkish company contracted for the project. He said that the line is between Umm Al Nar and Al Ain. The official said that this line is the longest and the biggest in capacity so far in the UAE. It will accelerate industrial and agricultural development in Al Ain as more power will become available. So far Al Ain has been receiving its power needs from its four power stations. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 60]

SKILLED FOREIGN WORKERS--A recent study of the Gulf economy has estimated the fee charged by foreign consultancy bureaus, on construction projects alone, at three billion dollars per year, representing 10 per cent of the project costs. The UAE newspaper GULF NEWS said the study pointed out that costs of major projects in the emirates increased at a rate of about 65 per cent per year more than in other countries. For example, the cost of building an aluminum factory in the Gulf is about 6,000 dollars per metric ton per annum, compared to about half this sum in the US. US and European employees salaries contribute to the increased cost, the report stated. OAPEC estimates the cost of a single employee working in administrative or technical fields to be around 200,000 dollars per annum. The answer to this problem is the much-discussed idea of recruiting more qualified nationals and stepping up local training facilities. The study revealed that the number of students enrolled in local technical schools is only 2,794, while about 68,000 skilled workers are needed at the present time. According to the World Bank estimates, by 1985 the Gulf region will require over 100,000 workers in higher technical sectors. At the present rate this will mean continued dependence on foreign workers and delay of job nationalization schemes. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 60]

DUBAYY AIRPORT SHOPPING COMPLEX--An international duty-free 24 unit shopping complex is to be constructed in the basement of Dubayy airport, according to Dubayy's Director General of Aviation, Mohidin Binhendí. Speaking in an interview with the press recently in Dubayy, he said that the complex will sell all types of consumer goods including video recorders and motor cars. The complex is to be built over an area of 20,000 square feet. He said that it will be unlike other duty-free shops at international airports. Consumers can order their purchases in advance and have them delivered to any part of the world. Asked as to how the shopowners will compete with shops outside the airport, in spite of having only one percent duty on the goods they sell, since they can cater to only airport passengers, he replied that their margin of profit will be higher since they can purchase their goods directly from the manufacturer. This will cut out the agent and his commission which the retail shops outside the airport have to deal with. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 61]

DUBAYY OIL EXPLORATION--Plans to drill a second and possibly a third exploration well in the Margham area, some 45 kilometers from Dubayy city, have been reported by UAE government sources. The sources added that confirmation of presence of oil and gas in that area was made by Arco Dubayy, a subsidiary of the Atlantic Richfield Company, more than three months ago. Arco shares the concession 2:1 with the British National Oil Corporation. Work on a second exploratory well is likely to begin in September. This will be drilled on a site about 3.5 kilometers south of the first well. It is estimated it will take the Kuwait-owned Santa Fe International Corporation some 120 days to complete the job. Plans are also being considered--although no date has yet been fixed--for the drilling of a third well, likely to be sunk north of the first one. The initial discovery, preceded by a rash of rumours, was announced in early May. The find was made at depths of between 11,000 and 12,900 feet in what is believed to be the same formation as the Sajaa field in Al-Shariqah. Tests confirm possible production rates of 34.4 million cubic feet of gas and some 2,330 barrels of oil per day. This well, drilled by Forex Neptune, an associate of Abu Dhabi Sea and Land Drilling Contractors, has been temporarily shut to await commercial development of the field. Serious production could start sometime in 1984. At the time of the find, Dubayy government announced it was drawing up plans to use the gas in the Jebel Ali port area, for the Dubayy aluminum plant and for various other industrial and domestic uses. It also talked of plans for the export of some of the gas. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 61]

RA'S AL-KHAYMAH FARMLAND--The total land in Ra's al-Khaymah being used to grow vegetables has increased from 9,459 donums last year to 14,650 donums this summer, said a report issued by the official UAE news agency, WAM. Quoting a report issued by the Northern Agricultural Region, WAM added that the number of farms increased by fifty six. The report said that farmers were applying to the Ra's al-Khaymah office permitting their farms to be used for next year's experimentations. Several different experiments were carried out in melon and water melon farms. Ten watermelon farms were singled out for extensive experimentation work covering irrigation, fertiliser, and insecticides. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 61]

FUNDS FOR RURAL DEVELOPMENT--The sum of 14.7 million dollars is to be allocated for rural development at Qunfudah, Kamil, Yanbu, Mahd Makkahwah, according to Hassan Mugharbi, Director General of Western Province Municipal and Rural Affairs. Speaking to the press recently, he said that the projects include asphaltting, paving, and electrical connections. Meanwhile, the Taif Municipality is studying the feasibility of creating 10 square meters of garden per person in the city. The present population of the city is put at something between 400,000 and 450,000. At present green area in the city totals 640,000 square meters with 50 kilometers of roads with lines of trees planted, a spokesman for the Municipality said. He added that the municipality is also studying afforestation in densely populated districts of the city such as West al-Balad. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 61]

CENTRAL BANK BUDGET--UAE's Central Bank last year extended loans of 350 million dollars to regional governments and a further 90 million to national banks, according to a recent report. The report stated that the Central Bank's budget up till last December amounted to 4.1 billion dollars. Gold assets reached 190 million dollars, deposits and current accounts stood at 1.1 billion, and treasury bonds amounted to one billion dollars. Bank liabilities totalled 844 million dollars cash in circulation, state deposits and current accounts totalled 1.6 million, and bank deposits and accounts reached 513 million dollars. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 61]

OILFIELD HOUSING MODULE--A new jack-up accommodation module arrived at Dubayy's Port Rashid recently bound for Abu Dhabi's Umm Sahif oilfield. The module, which was carried in a semi-submersible barge, will provide accommodation for 65 people. Built by Hitachi Zosan of Japan, the specially designed module also includes a swimming pool, small gymnasium and other facilities. The module's cost is about 35 million dollars. Abu Dhabi port is shortly to receive another, six-storey accommodation module for the Zakum Super-complex. This second module, being built by Mitsubishi in Hiroshima, will cost about 45 million dollars. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 62]

PAPER RECYCLING PROJECT--A 2.5 million dollar project for the manufacture of newsprint from waste paper is envisaged in Dubayy. Zakaria Mohammed Ismail, managing director of the Pakistan based Godil group, said last month that nearly 90 million dollars worth paper is discarded in the UAE every year. This paper can be recycled and used as newsprint, he said. The factory, which will use discarded newsprint, egg trays, cartons, hardboards, paper trays and paper products, will manufacture two million tonnes of newsprint annually, he said. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 62]

DISCUSSION ON INDEPENDENT AIRLINE--The United Arab Emirates, a major partner in Gulf Air, is being urged to go it alone and establish its own airline flying under the UAE name and flag, according to the WEEKLY GULF TIMES. The suggestion for a United Arab Emirates airline came from the Abu Dhabi Planning Department, in a recent report. The report said that an independent UAE airline would provide the basis for strengthening and supporting civil aviation in the Federation. It would also provide a platform for investment. At present the UAE is a partner in Gulf Air, which is jointly owned by Qatar, Oman, Bahrain and the Emirates. The report did not make it clear whether the UAE

would continue to support Gulf Air if the Federation established its own airline. This is not the first time that an independent airline has come under discussion. In the early and mid 1970's similar schemes were suggested but failed to come to fruition. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 62]

JABAL 'ALI POWER PLANT--A new gas-based power plant at Jabal 'Ali, currently on trial run, is to start commercial operations this month, the UAE daily KHALEEJ TIMES newspaper said. The new plant will raise the installed capacity for power generation in Dubayy to 732 mw, as against the present peak demand of 527.5 mw. Work on the first three 75 mw units of the Jabal 'Ali thermal power and desalination plant is progressing. The first unit is to go on steam by July 1983, the second by October 1983, and the third by January 1984. The desalination plant will produce 5.72 million gallons of water daily. When all the plants go on stream, the Dubayy Electricity Company will have a generating capacity of 1,000 mw by early 1984, when the expected demand will be 730 mw. Dubayy has, at present, 16 diesel generating units, generating 320 mw, and five thermal turbine units producing 340 mw. Their total power generation is 690 mw. The demand for power in Dubayy is expected to grow at the rate of 12 to 15 per cent in the next few years according to an Electricity company spokesman. The maximum demand will be about 1,000 mw by 1987, and the proposed plant additions will be able to meet that figure, he added. Dubayy Electricity Company has set up a supervisory control data acquisition center at Mushrif, to monitor the operation of the power system and control the transmission network for maximum efficiency. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 62]

NEW HOSPITAL CONTRACT--Eastern Limited, a wholly-owned national company of Al-Shariqah, last month received the contract for the construction of a new 320 bed hospital. The agreement was signed between Mohammed Khalifa Al-Kindi, Minister of Public Works and Housing, and Abdullah Bukhtair, director of Eastern Limited. The project, valued at 43 million dollars is scheduled to be completed by the second half of 1984. The hospital, which will have modern diagnostic and treatment facilities, is a turn-key project. The contract calls for design, construction, equipment commissioning and maintenance of the hospital which will be spread over an area of 160,000 square meters. The contract also stipulates the addition of 180 beds, staff housing, a mosque and a helipad to be constructed in phases after the initial completion of the main facility. The Ministry's consultants are W.S. Atkins and Partners Overseas, Eastern Limited is utilising the services of some leading British consultants for architectural design, health planning, structural design and medical equipment. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 63]

AGRICULTURAL EXPANSION EFFORTS--The emirate of Ra's al-Khaymah has made remarkable progress in industry and agriculture, while continuing its efforts to discover oil in its coastal regions. Referring to a report by the Ministry of Planning on the development of Ra's al-Khaymah, the Dubayy-based KHALEEJ TIMES said that the cement industry is one of the main projects which has achieved success in earning profits and providing lucrative export opportunities. The fertile Al-Nakheel area continues to be the agricultural nerve center of the emirate, producing a variety of vegetables and foodstuffs, which not only meet local needs but are also sold in other parts of the country. The emirate, with the help of the Federal government, has redoubled its efforts to improve and

expand fruit farming. An agricultural research center, and a number of animal and poultry farming projects conducted by the Arab Organisation for Agricultural Development, are in progress in the Digdaga area. The UAE government is taking steps to utilise existing facilities in order to increase livestock and poultry production, as part of the country's overall attempt to reduce food imports and depend on local produce. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 63]

'AJMAN WATER PROJECT--The Minister of Water and Electricity, Humaid Nasser Al Oweis, signed a contract last month with Galadari Engineering for the supply and installation of a pumping station with a 2.5 million gallon capacity reservoir to increase the supply of water to 'Ajman. The contract is turn-key involving supply and installation of pumps, electrical and power supply equipment, piping, instrumentation, etc. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 63]

NEW BANK LOAN LAW--Entrepreneurs in the UAE will have to repay loans from banks owned by them, which are in excess of ceiling prescribed by the Central Bank. According to the Central Bank's directive, loans, securities and guarantees to bank directors and managers have been restricted to five per cent of the bank's paid up capital, reports the UAE newspaper KHALEEJ TIMES. Although loans from their own banks are variously estimated to be between 25 to 50 per cent of the working capital of most business houses, banking sources said no bankruptcies or liquidity shortages were expected as a result of this decision. The new regulations are likely to bring the UAE's banking system in line with that of most other countries, where similar steps to avoid concentration of bank funds are already in existence. Account holders will now be assured that bank owners will not use depositors funds for their own purposes, thereby increasing confidence in the country's banking system both at home and abroad. For foreign banks in the UAE, which may have been diminishing in importance, the regulations may come as an unexpected blessing, as many entrepreneurs are likely to turn to them for their financial requirements. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 64]

AL-SHARIQAH INDUSTRIAL PRODUCTIVITY UP--Manpower in al-Shariqah's industrial area has increased from 1,540 in 1976 to 5,252, according to a study carried out by the Emirate's economic department. The report showed that there has been a 191 percent increase in industrial production. Industrial establishments in the area increased from 44 to 128, an almost 300 percent rise. Investments in the area increased from 70.2 million dollars to 88.2 million dollars while the value of production rose from 30 million dollars to 179.5 million, a rise of nearly 188 percent. The study revealed that increase in the chemical sector was highest of all. Whereas in 1976 there were just three chemical establishments, the number now is 21, indicating a rise of 700 percent. Manpower in this sector increased from 89 to 935, while investments which amounted to seven million dollars in 1976 increased by 281 percent to 20 million dollars. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 65]

AL-FUJAYRAH ROCKWOOL EXPORTS--Gulf countries will start importing rockwool from al-Fujayrah's rockwool factory, which started production a few months ago, said an official close to the administrative section of the company. Orders

have already been placed and shipment is expected any day, he said. Recently Oman received 30,000 square meters of rockwool, and the factory is busy to meet two more orders. Nearly 10,000 square meters of rockwool has already been packed and awaiting shipment to Saudi Arabia, the official added. Kuwait has placed an order for 30,000 square meters and this order is being prepared according to specifications, he added. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 66]

RECORD ECONOMIC GROWTH RATE--The UAE's growth in the economic sector recorded levels higher than any other country in the world during 1981, according to a statistical report issued by the Planning Ministry. The report said that the oil sector realised a growth of 20 percent, agriculture and fisheries 16.6 percent, the commercial sector 16.2 percent and transport and communication, 24.4 percent. The statistics showed that the UAE's economy is gradually decreasing its dependence on the oil sector. [Text] [Kuwait ARAB OIL in English No 9, Sep 82 p 67]

CSO: 4400/496

YEMEN ARAB REPUBLIC

BRIEFS

IDB EXTENDS LOAN--The Islamic Development Bank (IDB) has loaned \$5 million to North Yemen to finance imports of soya bean oil from Malaysia, the official Kuwaiti news agency KUNA reported from Jeddah, where the IDB has its headquarters. The loan, agreed with North Yemen's Bank of Reconstruction and Development, brings total IDB lending to the country to \$25.5 million. [Text]
[Paris AN-NAHAR ARAB REPORT & MEMO in English No 30, 13 Sep 82 p 7]

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